

Augusta, Maine  
November 17, 1999  
Docket No. 98-650  
9:00 A.M.

1                   MR. SUKASKAS: Good morning. I'm Joe Sukaskas  
2 of the Commission's technical staff. This is a conference  
3 in the Commission's inquiry into the readiness of public  
4 utilities in Maine for Year 2000 issues in Docket No. 1998-  
5 650. One the bench with me from your right, Commissioner  
6 Steve Diamond, Commissioner Bill Nugent; Tom Welch, the  
7 Commission Chair, will be with us shortly. Behind me are  
8 Norm Leonard and Phil Lindley also from the Commission  
9 staff.

10               In a September 21 notice of this conference we asked  
11 representatives of electric, telecom, natural gas and  
12 drinking water utilities to provide updates to us on their  
13 Y2K status. We said in that notice that we'd like to hear  
14 updates on remediation, testing and contingency planning  
15 activities. We also asked for detailed descriptions of  
16 remaining activities if any organization was not fully  
17 remediated for Y2K.

18               As in the past, we will consider all information  
19 exchanged during this conference as Year 2000 readiness  
20 disclosures, pursuant to the Year 2000 Information and  
21 Readiness Disclosure Act of 1998.

22               We have also invited members of two legislative  
23 committees to attend this briefing. The Joint Standing  
24 Committee on Utilities and Energy and the Joint Select

1 Committee on the Year 2000 Computer Problem. If any  
2 members of those committees are present, we'd like them to  
3 identify themselves. We also invited some members of the  
4 Governor's Y2K Task Force to attend. I notice that some  
5 members of that are present. Quita Ryder in the back row,  
6 from Hannaford Brothers, representing the food industry;  
7 Audrey Prior, from Northland TelCo, representing the  
8 telecommunications industry. We'll be hearing from Peter  
9 Bedard from CMP shortly. He's a member of the Task Force  
10 as well and I represent the PUC on that Task Force.

11 Any other introductions we need to make? Hearing none,  
12 this conference is being carried live on the Internet via  
13 real audio connection from the Commission's Web page and is  
14 being transcribed for the record. The transcript and the  
15 archived recordings will be available on the PUC Web site  
16 when they're prepared, in a few days. The conference is  
17 open for public observation, but this is not a public  
18 hearing at which public comment will be taken for the  
19 record.

20 If there are no other housekeeping matters, we'll start  
21 by hearing from our energy sector, including the  
22 electricity and gas utilities first. We plan to take a  
23 short break before hearing from the telecom and water  
24 utility sectors. We intend to conclude this conference by  
25 noon.

1           Before we get into the substantive matters, are there  
2           any other housekeeping details that we need to touch on?  
3           If not, let's start on the electric.

4           The independent system operator for New England is the  
5           operator of the bulk electric system for New England. Jim  
6           Sinclair from the ISO has come up from Massachusetts to  
7           appraise us on the status of that system.

8                               MR. JIM SINCLAIR

9           Thank you, Joe. I'm going to give copies of the handout  
10          for the benefit of the panel. I have some spares. I  
11          apologize for not having 3,420.

12          I appreciate the opportunity to update you on  
13          activities as far as the electricity industry in New  
14          England. I have a presentation. I'll be as brief as I  
15          can. Certainly, obviously if you have questions as we go  
16          along, please let me know.

17          I want to do three things real quickly. One is to  
18          give you a quick overview of the New England electric  
19          industry effort for Y2K readiness, talk about our  
20          contingency plans and final preparations that are now under  
21          way and talk somewhat about communications activity which  
22          is I think the most important milestone on the horizon that  
23          we really need to stay focused on for fear of unnecessary  
24          public panic.

1           With regard to ISO New England, we are responsible for  
2     operating what's known as the bulk power system, bulk  
3     electric power system, which is 330 generators scattered  
4     across New England connected to the 6-state inter-regional  
5     transmission network. Our effort includes working closely  
6     with New England Power Pool participants. Those are  
7     members of the voluntary association know as the New  
8     England Power Pool formed back in the early '80s for the  
9     purpose of creating a pooled network. They are the asset  
10    owners. They own the transmission facilities. They own  
11    all the generating plants. So with that, I'm on to the  
12    first slide in my presentation.

13           The joint effort under way between ISO New England and  
14    NEPOOL, again us being the operator and New England Power  
15    Pool being the asset owner, began in 1998. Individual  
16    efforts by CMP, New England Electric and other major  
17    electric companies in New England actually began earlier  
18    than that on an individualized basis; but the coordinated  
19    effort to ensure for the readiness of the bulk electric  
20    power system began in 1998. The scope, as you might guess,  
21    includes power plants, all the transmission facilities and  
22    grid monitoring and control systems. So all the components  
23    we need from a real time operations of the grid standpoint  
24    and to ensure that we can have the proper communications  
25    networks in place, again to operate that system securely

1 and reliably through the transition. So the players in  
2 this program, again, are us, ISO New England, and the  
3 owners of the assets.

4 The program objectives are very clear. Obviously, it  
5 was assigned an extremely high priority by all the players.  
6 The scope of the program is consistent with an industry  
7 wide effort under the sponsorship of the North American  
8 Electric Reliability Council, which ensures that all the  
9 utilities or all electric system operators across not only  
10 the United States, but Canada because we're an inter-  
11 connected system, are indeed Y2K ready. The deadlines for  
12 that program were June 30<sup>th</sup>. I'm happy to say that all the  
13 representatives of New England are satisfied that industry  
14 due date of June 30<sup>th</sup> to have their critical mission systems  
15 Y2K ready.

16 Now, the guiding principle behind our program is quite  
17 clear and it's quite simple. Failure of the bulk electric  
18 power system is not an option. We built this system coming  
19 out of the 1965 Northeast blackout with the whole notion  
20 that we would develop a system and never have that happen  
21 again; and that has not happened again. We've successfully  
22 operated that system for some 30 years and there's nothing  
23 about Y2K that suggests that we can't make it through the  
24 millennium in fine shape.

1           The program scope is comprehensive and no surprise  
2       here, you've heard this before, it includes identification,  
3       assessment, remediation and testing of all mission critical  
4       systems. Again, mission critical systems from our  
5       perspective are those systems required to keep the lights  
6       on. As far as billing systems and business support  
7       systems, obviously those are receiving high priority as  
8       well; but our hunt was for those systems necessary to keep  
9       the lights on. We also looked very closely at inter-  
10      dependencies. Our system requires telecommunications data  
11      be conveyed to our facilities in Holyoke as well as four  
12      satellite facilities located in the New England region,  
13      including one at Central Maine Power's facilities. So it's  
14      very important that the telecommunications network is  
15      indeed Y2K ready. We have all the confidence in our inter-  
16      dependent communications that we've done with telecom that  
17      we expect no significant issues there. We also have looked  
18      at fuel supplies in depth; and as you probably know, at the  
19      Commission the utilities have plans in place for fuel  
20      supplies for a number of contingency-type circumstances,  
21      including weather-related phenomenon. So again, there's  
22      nothing about Y2K that's dramatically changing the picture  
23      in terms of the need for additional fuel supplies nor a  
24      strong concern for fuel deliveries going forward.

1           The contingency plan in place is essentially modeled  
2   after the existing contingency plans that have been  
3   successfully used for storm-related emergencies. It  
4   addresses a variety of contingencies, including things that  
5   may occur on the generation side of the business, the  
6   transmission side of the business or again on the  
7   communications side of the business. The plan has been  
8   repeatedly tested. There have been two nationwide or NERC  
9   wide, meaning U.S. and Canada wide, telecommunications and  
10  contingency plan testing; table top exercises that  
11  demonstrate the adequacy of our contingency plans. We  
12  successfully met that challenge both on 4/9 and 9/9. Those  
13  are Y2K vulnerable dates from a computer standpoint, and  
14  again pleased to report that no significant issues or  
15  concerns arose during the conduct of those exercises.

16           We view the contingency plan as an insurance policy.  
17  We're often asked by people if you're all set and you're  
18  ready and you feel confident about the millennium  
19  transition, then why do you have such an aggressive  
20  contingency plan, it suggests that maybe there's something  
21  else going on. The answer is there's not. It is simply an  
22  insurance policy. It's the prudent and right thing to do.

23           The key elements of our contingency plan are increased  
24  staffing at power plants, substations and other key  
25  facilities. On the millennium transition there will be

1     about 1,500 utility workers spanned out across New England  
2     at these key facilities as backup capability to do manual  
3     actions, to communicate if necessary using backup  
4     communications needs, again all to keep the system  
5     operating.

6             We're gonna monitor the clock change around the world.  
7     Our emergency response facilities will be open at 6 A.M. on  
8     December 31<sup>st</sup>. The reason for that is we have through the  
9     industry made connections as far afield as Australia and  
10    Taiwan and other systems that are somewhat similar to the  
11    system in the United States so we can watch, monitor, and  
12    if there's any practical experience that we can gain from  
13    that exercise, or that effort, rather, then certainly we'll  
14    have an opportunity to take advantage of that.

15            Additional communications have been added to  
16    complement the various backup communications systems that  
17    have always existed on the system. We have in place in New  
18    England an analog microwave system, again that's been used  
19    historically and is available for the millennium  
20    transition; but we've also added a COMSTAT satellite system  
21    as additional defense in depth just in the event that there  
22    are any telecommunications issues. We're gonna operate the  
23    system in what we call precautionary mode. The whole  
24    notion behind that is to minimize the risk of anything  
25    happening and to maximize the flexibility of the operators



1 to be able, again, to keep the lights on. Precautionary  
2 mode is defined in slide #8 that I provided to you.  
3 Essentially, what we're gonna do is we're gonna lower  
4 transfer limits between New England and interconnected --  
5 neighboring grids that we're interconnected to to provide  
6 flexibility that if they need help we can help them, if we  
7 need help they can help us in terms of energy transfers.  
8 We do this day in and day out as a means of keeping the  
9 system reliable in New England. We're gonna have some  
10 additional flexibility that we're gonna have in play for  
11 the millennium transition.

12 Normally in New England we operate our system with an  
13 operating reserve. We're gonna increase the percent of  
14 that operating reserve as an additional prudent  
15 precautionary measure just in the event that any generating  
16 facility does experience. It could be totally unrelated to  
17 Y2K. Just in the event that any generating facility  
18 experiences any problem.

19 We're gonna maximize the number of plants actually on-  
20 line over roll over. That means we'll be reducing the  
21 output of some of the plants in the region that normally  
22 would have been running at full output. We'll lower their  
23 output so that we can actually provide additional power  
24 plants on to the grid to maximize the number of plants that  
25 physically see the transition to the new millennium.

1           In New England we're fortunate to have pump storage  
2       units. Two major units in Western New England that during  
3       the evening hours normally pumps are driving water up into  
4       a reservoir for preparation for the next day for those  
5       resources to be used to produce energy in the region. The  
6       beauty of those units are we can position those reservoirs  
7       essentially as half-full so that what it will allow us to  
8       do for the millennium transition is to either put them in a  
9       pump mode, meaning draw electricity if we need to actually  
10      increase demand on the system, or to use those resources  
11      for the delivery of energy if so needed.

12           The final preparations under way, we're doing weekly  
13      testing of our primary and backup communications systems  
14      and procedures. We're continuing to coordinate closely  
15      with our neighboring grid operators. I'm part of a group  
16      through an effort under the Northeast Power Coordinating  
17      Council which is a regional reliability council under NERC.  
18      Many of the folks in this room participate in those  
19      endeavors. We're sharing information, coordinating our  
20      efforts and again maximizing the assurance that we will not  
21      have any serious adverse consequence as a result of the  
22      millennium transition.

23                   COMMISSIONER NUGENT: Is part of that review  
24      looking at the ability to move power between the ISOs?

1                   MR. SINCLAIR: Yes. And the reason for  
2     lowering the normal transfer limit is to give some  
3     flexibility on that score. So we'll actually have more  
4     resources probably running in New England than we other-  
5     wise would during what I'd call a normal New Year's Eve.

6                   COMMISSIONER NUGENT: And the actual linkage  
7     is tested to make sure that that won't fail.

8                   MR. SINCLAIR: That's correct. We're not  
9     disabling those linkages in any way. It's an  
10    interconnected system for reliability and it's to -- the  
11    best benefit is to keep those linkages, obviously, in  
12    place, and we'll do that.

13                  Now, our overall assessment of the Y2K risk. The  
14    first thing to point out is electricity, I think again as  
15    most people realize in this room, is a real time product.  
16    That means it's produced and consumed essentially at the  
17    same time. There's not a lot of date stamping going on.  
18    So, fortunately for our business anyway, that minimizes  
19    what I'll call the Y2K impacts or the possible Y2K impacts.  
20    So the risk from that standpoint turned out to be low, and  
21    appropriately so; and when we look at the entire industry  
22    experience not only here in New England but again with our  
23    nearest neighbors and across the North American Continent  
24    and even looking across the Atlantic Ocean and the Pacific  
25    Ocean, when you look at the collective experience that

1 concludes that the risk is certainly manageable, yes,  
2 indeed, it does pose a risk; yes, indeed, we need to have  
3 contingency plans; but from the standpoint of when you look  
4 at the total balance of the equation, our conclusion is  
5 that the risks are really no greater than the day-to-day  
6 risk that we're exposed to every day. So for us it should  
7 be another day on the electric system without any serious  
8 disruption of service.

9 Now, our Y2K communications activities, just spend a  
10 moment on those. We're obviously working closely with  
11 regional media and key constituencies, including yourselves  
12 in this room, to keep you apprised of our efforts, to  
13 answer questions that people may have. The individual  
14 NEPOOL companies like Central Maine Power, Bangor and  
15 others, are closely communicating with their customers  
16 through billing inserts and other vehicles such as Web  
17 sites that try to keep their folks apprised or their  
18 customers apprised of the status of their efforts. We're  
19 certainly doing everything we can to support State public  
20 awareness programs, such as those of your Governor's Task  
21 Force, in Massachusetts through the Mass. Emergency  
22 Management Agency. Just by way of example, we are as an  
23 industry having a Y2K awareness week during the week of  
24 December 10<sup>th</sup>. That is an industry awareness week to make  
25 sure that everybody who has a role or responsibility for

1 the millennium transition kind of recalibrates, make sure  
2 they understand their roles, duties and responsibilities,  
3 and if they have any questions let's get those ironed out  
4 well in advance of December 31<sup>st</sup> when people are actually  
5 put out in the field and positioned. Now we've drilled,  
6 we're confident that there's not a lot there to learn. We  
7 saw this as one additional piece of the equation that we  
8 could provide just to have an added degree of assurance.

9 Yesterday at ISO New England we activated what we call  
10 live Y2K Web site. What that will provide for is current  
11 information about the readiness of the bulk power system,  
12 other information which we think would be of public  
13 interest. There was an article that ran this morning in  
14 the Boston Herald regarding this Sunday's Y2K movie. It's  
15 an excellent article, I think, in putting that movie in  
16 context. That's the type of article we would link to our  
17 Web site. Again, it's really geared towards the public in  
18 general in terms of giving them the confidence that there's  
19 no reason for alarm, no need to panic. That Web site,  
20 again, is up and running; and during the actual millennium  
21 transition it will be updated minimally at 5-minute  
22 intervals for the benefit of the regulatory community,  
23 state government and others who are interested in  
24 monitoring closely the status of the bulk power system.  
25 We'll also be conveying and linking to systems that will

1 provide you with additional information from other parts of  
2 the country or around the world, as a means, again, of  
3 keeping you folks updated real time with respect to what's  
4 transpiring. And again, our Y2K communications message has  
5 been clear, consistent. No need to panic and follow the  
6 advice of state emergency management and Red Cross  
7 officials which very simply is prepare as you would for a  
8 snow storm and I'm comfortable that the ride through the  
9 millennium will be no different than prior years. Thank  
10 you.

11 CHAIRMAN WELCH: Are you getting all the  
12 cooperation you need from the generators and various  
13 transmission system owners?

14 MR. SINCLAIR: Early on, under the NERC  
15 criteria we only need to concern ourselves with power  
16 plants 50 megawatts or above. Not an issue in New England.  
17 Never has been. There are some small IPPs that our folks  
18 were drilling down to try to get them to participate in the  
19 program. We've been successful in getting all but a  
20 handful of those. The fact of whether or not we receive  
21 the information we need from them is immaterial to the  
22 secure and reliable operation of a bulk power system; but  
23 we'll continue to push that ball right up to the 31<sup>st</sup>.

1                   CHAIRMAN WELCH: This isn't a reliability  
2     issue, but have you worked out the issue of who's gonna pay  
3     for the uplift costs of all these generators running?

4                   MR. SINCLAIR: There's actually a rule in  
5     place. It's posted on our Web site. Essentially, what  
6     we're trying to do is use the existing market rules to the  
7     maximum extent practicable so that the market works the way  
8     it's designed and intended; but any uplift in that, there  
9     are rules that discuss that. Obviously, this could result  
10    in, from the standpoint of rules in emergency situations,  
11    the ISO has requisite authority that it needs to operate  
12    the system in whatever manner it needs to to keep the  
13    lights on and worry about the settlements later if that  
14    came to pass.

15                  MR. SUKASKAS: You mentioned some of the  
16    generating plants would be operating at a lower power  
17    level. Would that include nuclear plants in New England?

18                  MR. SINCLAIR: It could. We looked at that in  
19    terms of possibly seeking to see if they could operate at  
20    maybe 90% or 80%, again to provide additional room for  
21    others to operate. I'm not familiar specifically with  
22    exactly how that's worked out. I could check on that and  
23    get back to you. The idea is to maximize the number of  
24    plants we run in real time on the system.

1                   MR. SUKASKAS: So if you hear that nuclear  
2 plants are reducing output, it isn't necessarily that  
3 they're having Y2K issues as much as they're responding to  
4 a regional power dispatch program of some sort.

5                   MR. SINCLAIR: That's correct. And the other  
6 thing to keep in mind is they do periodically reduce power  
7 for turbine testing and other required testing. So from  
8 that standpoint, we're not talking about reducing their  
9 power level that in any way would threaten or jeopardize  
10 their normal safe operations.

11                  COMMISSIONER DIAMOND: Let me just ask you,  
12 Jim, when you say the plan has been repeatedly tested, do  
13 you simulate January 1, 2000, when you test it?

14                  MR. SINCLAIR: Yeah, it's hard on our system  
15 to physically simulate like a clock roll over because we're  
16 not going to take the system down to prove a point; but  
17 what we are doing is we're testing primarily the  
18 communications and the positioning of people to ensure that  
19 they understand what their roles and responsibilities are,  
20 making sure that the backup communications equipment that  
21 they would have with them is operational and again it's  
22 primarily -- even this Y2K awareness week is to just  
23 reassure that everybody knows what their particular  
24 responsibilities are for that evening.



1 MR. SUKASKAS: Thank you very much, Jim.

2 Let's turn to Central Maine Power. From CMP we understand  
3 we have Peter Bedard, Ralph Record and Dick Griffin.

4 MR. PETER BEDARD

5 While Dick is handing out those -- the information  
6 that we have prepared, also I'd also introduce to you  
7 anybody who doesn't know him, Ralph Record. Both Dick and  
8 Ralph have been working on this process since late '96,  
9 early '97.

10 What I'm gonna go through is a lot of, obviously, some  
11 of the things that Jim has already talked about. The first  
12 page where he talks about the highlights of what's happened  
13 since we were last here on May 19<sup>th</sup>, and we participated in  
14 the ISO New England drill and 5/26 we reported to the NERC  
15 on schedule that our mission critical elements were Y2K  
16 ready as of the end of June. We also participated in the  
17 ISO New England drill on 8/12 and the NERC drill on 9/8,  
18 9/9, which was tied into the 9/99 roll over to some degree  
19 but also a dry run for what might happen during the  
20 transition time frame. The other thing that's on here is  
21 that one other thing we did for our business applications  
22 system, such as customer service and work management, some  
23 of those type of systems, we have a contract with a  
24 disaster recovery site, which means that if our computer  
25 room got blown up we could go somewhere else and continue

1 to run our billing functions and the things that are  
2 critical to our day-to-day business. That's not a Y2K  
3 issue. That's something that we've had in place for quite  
4 a while. So what we did was instead of doing the normal  
5 disaster recovery testing, what we did was we went down  
6 there and used that time frame, which is 48 hours of  
7 straight time, to take all of our systems and simulate the  
8 roll over process going from the end of December to  
9 January, making sure that everything worked okay in all  
10 those applications systems. You can't test everything down  
11 there, but it's a real good way to get it off on another  
12 machine and do a full test of all those things, even though  
13 we'd done that back in our environment. It was another  
14 opportunity to do that. All of those tests, both our  
15 disaster recovery one and the ISO ones and the NERC  
16 coordinated ones have been very successful from our  
17 standpoint.

18 Most of what I want to talk to you about today is the  
19 primary initiatives that we've had following this testing  
20 process and that's putting together the contingency plan to  
21 give you a sense of what our contingency plan involves.  
22 For those of you who haven't read the two full notebooks of  
23 it, I know Joe has, but there's a lot of detail in there;  
24 and just to give you a summary of what that's all about.  
25 And then what will really be happening at Central Maine

1 Power during that December 31<sup>st</sup> time frame through the  
2 weekend and what we're really gonna be doing and what the  
3 staffing's gonna be up to and so forth.

4 COMMISSIONER NUGENT: You identified four  
5 dates on here as dates on which you had drills. Did you  
6 identify any significant opportunities to improve your  
7 response in those four tests?

8 MR. BEDARD: I think -- I'll give you my view  
9 and I'd certainly welcome Ralph's and Dick's comments, but  
10 there were some minor things regarding communications. For  
11 example, one of the things we simulated, if we didn't have  
12 regular communication capabilities, we had satellite phones  
13 that we can communicate with our major substations and so  
14 forth, and I think as a result of that there was some  
15 training issues identified and also the ability to perhaps  
16 get some additional phones in there and there were some  
17 spots where they worked better than others.

18 MR. RECORD: That's pretty much it. Just  
19 positioning of the staff out there, where they are in their  
20 trucks at the time they're using radios, for example.  
21 There are some dead spots.

22 MR. SUKASKAS: If you're talking, it would be  
23 helpful to the reporter to identify who you are first.

24 MR. BEDARD: So, the next page just says  
25 really where we are and this is -- obviously, we reported

1     that we were -- all of our systems -- all of our mission  
2     critical systems are ready. There's a lot of things that  
3     we've done over and beyond what mission critical -- that  
4     part -- the systems are ready which are mission critical.  
5     All of our ITE (sic) infrastructure has really been tested  
6     and retested and that includes everything from the main  
7     frame that sits inside the computer room to local area  
8     networks, wide area networks, which are critical elements  
9     of the whole system and our ability to communicate with the  
10    field during this time frame, just normal business. And  
11    all of our business applications, major business  
12    applications are ready. That's, again, our customer  
13    service system, work management and those kind of things.  
14    So, nothing really new there.

15           I wanted to talk about on the next page a little bit  
16    about our contingency plan. That was completed, and as I  
17    said, at the end of June. We sent a copy of that to the  
18    Commission in July. We also had some discussions about  
19    whether or not we could -- that was open to the general  
20    public and so forth, and because there were a lot of  
21    sensitive information in there regarding telephone numbers  
22    and sites that -- field sites that are critical to the  
23    whole process, we didn't view it to be in the best public  
24    interest to send a two notebook copy of that out to  
25    whoever. We put together an executive summary that really

1 we've submitted -- we have distributed to people that had  
2 an interest in looking at that, what that was all about and  
3 what was included in the contingency plan. We continue to  
4 review tasks and revise that plan as needed. And there are  
5 over a couple hundred action items that we're tracking in  
6 preparation for the transition and I'll talk a little bit  
7 more about those in a second. But really, the focus of the  
8 contingency plan is obviously safety, power delivery,  
9 customer service and financial integrity, probably in that  
10 order. Our objectives are really to mitigate the operating  
11 risks and develop appropriate responsive action plans and  
12 develop verification plans which will happen after the roll  
13 over to the next century. And our process really -- we  
14 really had a very extensive process. We involved everybody  
15 in the Company, going out to all different business units,  
16 coming up with different scenarios. It was really the  
17 standard guidelines that were given by NERC, right, or  
18 FERC, to put that all together. I guess it was NERC. So  
19 it really was a very comprehensive plan and Ralph and Dick  
20 did an excellent job of pulling the whole Company together  
21 to put that whole plan in place.

22 The transition staffing time frame, transition  
23 staffing plan that we have, which is really from December  
24 31<sup>st</sup> through that weekend, we have some operations  
25 obviously, such as dispatch, that are 7 by 24, which is an

1 (indiscernible word) part of our operation, but that staff  
2 will be augmented significantly by other people that  
3 normally wouldn't be there on a 7 by 24 basis. We will  
4 have a transition manager who will be one point of contact  
5 for anything that's going on within the Company regarding  
6 any particular problems and just logging validation tests  
7 and so forth, just keeping track of everything that's  
8 happening out there; and for anybody that wants to know  
9 what's going on, that will be the person that will be  
10 responsible for communicating that. The Year 2000 project  
11 office, Ralph and Dick will be involved in that. We have  
12 the systems development group, we have systems operations,  
13 dispatchers and engineers, we have systems engineering,  
14 customer service people. We will have additional customer  
15 service reps out there for people that want to call at  
16 11:30 and say how's it looking, or call at 12:30 and say --  
17 the power may go out somewhere at 12:30, but it's more  
18 likely to be from somebody hitting a pole on the way home  
19 from a New Year's Eve party as opposed to whatever; and we  
20 think it's very important that people understand the  
21 difference and we're able to communicate that difference to  
22 the general public. We will have a few additional line  
23 crews and so forth on during that time frame, and again  
24 that's more for being able to respond quickly to any  
25 particular problem that is not Y2K related to -- so people

1     don't think we're into a crisis mode here. A lot of people  
2     from informational services organization that will be in  
3     during that time frame to really just do testing and  
4     respond to any problems that may come up.

5           Telecommunications group, on the next page, is also a  
6     critical part of this whole process, both with communi-  
7     cations within CMP and communications outside of CMP to ISO  
8     and some of the other critical areas.

9           So, under our assumption that everything goes as  
10    planned during that transition time frame, we will,  
11    starting probably 2 or 3 o'clock on January 1<sup>st</sup>, in the  
12    morning we will start doing a lot of verification testing  
13    just to make sure that everything is running as we expected  
14    it to do. That includes everything from the main frame  
15    computer operating systems and some other things and then  
16    we'll get into detailed testing of the financial  
17    applications, customer service applications. Once again,  
18    just to make sure that there will be no surprises when  
19    people come back to work on Monday morning. The  
20    expectation is there'll be business as usual on Monday when  
21    we open up shop again.

22           So, I can't over-emphasize, I guess, that I think the  
23    communications obviously is going to be a very big part of  
24    this transition time frame. It's very important within our  
25    Company for everybody -- for us to know what's going on out

1       there in the field, what people are hearing, what kind of  
2       concerns they have, what's going on with ISO, and to be  
3       able to communicate to the public as required what's gonna  
4       happen.

5               So we'll have management and support staff in the  
6       communications center and we're also gonna have repre-  
7       sentatives from Defense, Veterans and Energy Management,  
8       which is Earl Adams, General Adams' organization. There'll  
9       be somebody there from his group. And we will certainly be  
10      in direct communication with ISO New England, CMP dispatch  
11      and major customers who have a concern or whatever will be  
12      able to call in directly to us to find out what's going on.

13             We also just heard within the last couple days that  
14      some of the major news stations in Portland are interested  
15      in having a couple of press conferences during that time  
16      frame. One will be -- we don't know the exact schedule,  
17      but it's -- let's say around 10 o'clock, 9:30 to 10  
18      o'clock. That will happen down in Portland. Then they  
19      want to have another press conference after we've made the  
20      -- after the stroke of midnight, 1 or 2 o'clock, something  
21      like that. I believe Mark Ishkanian from our communi-  
22      cations group will be handling that. We do anticipate a  
23      significant amount of interest from the press during this  
24      time frame, just to come up and get a feel for what's



1     happening and what kind of things we're seeing and so  
2     forth.

3             So, what do we have left to do? We're continuing to  
4     refine the contingency plan, but I think that's pretty much  
5     in place, and also the transition plan. We've got a couple  
6     hundred transition plan action items that we're continuing  
7     to track and those are things like putting out some reports  
8     that people are gonna have a hard copy of things in case we  
9     do have an internal system problem. We don't anticipate  
10    that happening, but we'd rather be safe than sorry in that  
11    particular case. Monitoring lead times of critical  
12    material. We haven't found anything really significant  
13    there. And putting together internal communications  
14    capabilities. We will communicate a lot of our -- what's  
15    happening within the Company probably on our own Internet,  
16    which has a very extensive capability today and we can  
17    really communicate within the Company to just about  
18    everybody. They'll have access to that. We need one  
19    common medium. So if anybody wants to know what's  
20    happening and what kind of problems there are, we need to  
21    have that one source of information that everybody can go  
22    to. And one of the biggest concerns everybody has is what  
23    kind of food are we gonna have available during this time  
24    frame, 'cause we're gonna have a lot of people in there and

1       they all want to make sure they get fed well. We will  
2       certainly take care of that.

3               And we are participating with ISO New England on the  
4       awareness week and we're continuing to promote transition  
5       plan awareness within CMP. Most everybody knows what  
6       they're gonna be doing as an individual department, but we  
7       want them to get a picture of what's going on within the  
8       whole Company and we want them to know what the  
9       communication requirements are gonna be with regard to --  
10      we're out at the substation, nothing's happening and we  
11      want them to communicate back, for example, that  
12      everything's working as normal. So, communications as I  
13      said, and I can't over-emphasize how important I think that  
14      is in this whole process.

15             We've got a few remediation items remaining. None of  
16      those are critical. Basically what happens is a vendor  
17      says they're Y2K compliant, you go through the testing  
18      process and then in September or October they send out some  
19      patches to us that say well, you really need to apply these  
20      things because we found a couple other things. None of  
21      those are major and none of those are anything that should  
22      cause anybody some concern, but we're still working a few  
23      of those; and as we come across those we actually consider  
24      those in our contingency planning process.

1           That's kind of where we are and certainly are open to  
2           questions if anybody has any.

3                       MR. SUKASKA:   If you could give us an example  
4           or two of what those 15 items might consist of.

5                       MR. BEDARD:   Yeah, there's a couple that come  
6           to mind. One is our material management system, for  
7           example. We went through -- we did a system upgrade and  
8           the vendor said that this upgrade would be Year 2000  
9           compliant. We did very extensive testing of that system  
10          and didn't find any Year 2000 problems. Now the situation  
11          you run into, Joe, is where they -- the vendor comes back  
12          and says we found 10 fixes that need to be applied to your  
13          software in order for us to ensure that it is Year 2000  
14          compliant. So we have a dilemma here. Do we apply the  
15          patches to make sure that it's gonna work, although we have  
16          a very high confidence it will work anyway. We think the  
17          prudent thing to do is to go ahead and apply those fixes,  
18          do extensive testing to make sure we haven't screwed  
19          something up because the problem that we run into is if we  
20          don't do that and we do have a problem, then the first  
21          thing they're gonna ask us is have you applied the software  
22          changes that we expected you to do. So, it's -- and those  
23          are not significant things, but they are time consuming,  
24          not so much from applying the software changes as much as

1 testing, actual testing and going through the verification  
2 process.

3 MR. SUKASKAS: This is the materials  
4 management system. Is that an inventory control?

5 MR. BEDARD: It's the inventory and accounts  
6 payable, basically, yeah.

7 COMMISSIONER DIAMOND: Do you have the  
8 perception, Peter, that a lot of people are going out and  
9 buying generators and do you have any concern if that's the  
10 case?

11 MR. BEDARD: Well, you know, I actually know  
12 somebody that sold a generator, which is interesting. I  
13 always point that out. I'd say the majority are buying. I  
14 don't know. I mean we're not in the generator business so  
15 I couldn't give you good figures on that. People do ask  
16 about that, should we do that, and that's an individual  
17 customer decision as to whether or not they want a  
18 generator. I didn't buy one for this and a lot of other  
19 people at CMP haven't purchased one as a result of this.  
20 We don't think it's necessary for Year 2000, but people may  
21 view this as an opportunity to buy one because as we live  
22 in Maine and you live on Fire Road 943, you can expect to  
23 be out of power at some point in time during the winter-  
24 time. I think it's pretty much a seller's market at this  
25 point. I don't think prices are at an all time low. I

1       can't give you a quantitative answer to that. It does come  
2       up from time to time.

3                   MR. SUKASKAS: Consumer protection or  
4       precautions that consumers, individual customers, should do  
5       related to the use of power on New Year's Eve?

6                   MR. BEDARD: Well, obviously, one of the  
7       biggest concerns is all those generators. If somebody wants  
8       to go out and get a generator, to install that correctly  
9       and get a licensed electrician in there to do that. We're  
10      not in the same position as the phone company where we  
11      don't want to have everybody turning on -- we have less of  
12      an issue in everybody turning on their lights versus every-  
13      body trying to use the phone system at midnight. I can't  
14      think of anything. Ralph, Dick, anything that we have  
15      concerns about? No.

16                  MR. SINCLAIR: One of the things we did, Joe,  
17      on a region-wide basis is reached out to all the major  
18      customers and there were two things we were looking for.  
19      One is what is their behavior gonna be for the Year 2000  
20      transition, so we could get a sense of what impact that may  
21      have on the total load we may see on the system.  
22      Originally we were expecting that we might see a lower load  
23      because people might extend the holiday, shut down  
24      production, etc., and that will occur; but countering that  
25      is a lot of the contingency plannings like banking,

1 insurance and others are actually gonna be staffed up. So  
2 we're actually projecting a load where we're expecting  
3 someone from (indiscernible) we're seeing that because of  
4 the contingency planning is actually making up for that. I  
5 think the other message that we're clearly sending in all  
6 of our communications, whether it be the residential  
7 customers or the major customers, is behave normally.  
8 Don't do anything different. There's no need to. We did  
9 have an issue in Connecticut, for example, where the  
10 hospitals were planning to disconnect and go on generation  
11 at 11:50 P.M., and we successfully sat down with them and  
12 talked it over, and obviously convinced them that that was  
13 not the wise thing to do. So, where we see issues like  
14 that arise, we've tried to be out in front of those and try  
15 to keep things, if you will, as normal as possible.

16 MR. BEDARD: I think we've had a couple of  
17 issues like that in our service territory where people  
18 considered that.

19 MR. RECORD: We have one customer that had  
20 planned initially to disconnect shortly before midnight and  
21 then reconnect sometime after midnight, and they have since  
22 changed direction on that. They'll stay connected and  
23 reduce voltage. That's where they are right now. They do  
24 have backup generation capability, but they will stay  
25 connected to CMP through the transition period.

1                   COMMISSIONER NUGENT: Is there any reason to  
2 think remotely located customers are at any greater risk  
3 from Y2K, apart from the other things that happen to  
4 remotely located customer? I think particularly here of  
5 service problems that we've had in the past in Jackman.

6                   MR. BEDARD: Well, yeah, that's an interesting  
7 one because that's come up a -- we have a situation up in  
8 -- not Jackman, necessarily, but we do have CMP customers  
9 that are served out of Canada. They're not only on our  
10 grid, they're on is it Coburn Gore? Yeah, that's one of  
11 them. And there's some others down in New Hampshire right  
12 on the New Hampshire border. So, in fact we got an inquiry  
13 from a customer the other day about that. So, it's a  
14 little more difficult for us to answer in terms of what  
15 their risks are. I don't think they're at any great risk  
16 because all the utilities are obviously are participating  
17 through the ISO process and so forth. But, it's a  
18 different question. It's the same question but it's a  
19 little different twist when they're really not served  
20 directly by your distribution; but no, I don't think  
21 there's any risk that -- any greater risk for anybody  
22 that's out there in a remote location.

23                   COMMISSIONER DIAMOND: Let me just ask,  
24 generally if you're not able to simulate January 1, 2000,  
25 do you rely principally on the vendors in terms of the

1 embedded chips that they are testing to see whether there's  
2 any date sensitive information in the equipment or they  
3 themselves are doing the simulation with the equipment?

4 MR. BEDARD: I think it's really a 3-set  
5 process. We rely on the vendors for information from them.  
6 We do do a lot of testing in our labs. We really have  
7 simulated that because we have a lot of protective relays  
8 out there today that have embedded chips. We've actually  
9 rolled forward into the next century and they're still  
10 working.

11 COMMISSIONER DIAMOND: So you have done the  
12 simulation.

13 MR. BEDARD: We have done simulations out  
14 there. It's not really simulations. It's an actual  
15 production roll over on a -- in an area where we have  
16 protective relays that are operating with the Year 2000  
17 date. So, we haven't done that for every one of them, but  
18 what we've done is try to look at the different types of  
19 relays we have and then do that with at least one -- in one  
20 or two instances with those particular relays.

21 COMMISSIONER DIAMOND: There were no problems  
22 when you did that I gather?

23 MR. BEDARD: No. We haven't had any. There's  
24 been no impact to that. I think we've done 18 or something  
25 like that at this point in time at various locations



1 throughout the State, and customers -- unless you tell them  
2 about it, they have no idea we've done that kind of thing.  
3 So we've done a lot of that kind of stuff, similar to some  
4 of the power plants in other parts of the country that have  
5 rolled their plants forward into the next century and  
6 continued to have them run. And we've also done that with  
7 our emergency management system -- not emergency  
8 management, energy management system. Taken that system  
9 when it was actually running live and rolled that forward  
10 into the Year 2000 and it continued to operate as normal.  
11 So we've done some actually what I would characterize as  
12 live testing on simulation, as much as we can do, to  
13 further demonstrate that the risk is less than what we  
14 might anticipate.

15 COMMISSIONER DIAMOND: I realize you're not in  
16 the generation business anymore, and maybe this is more for  
17 Jim than for you; but is it your sense that the generators  
18 have done the kind of testing that ought to be done, done  
19 the simulations or whatever testing is appropriate for  
20 their facilities?

21 MR. BEDARD: I'll refer that to Jim, I guess  
22 at this point.

23 MR. SINCLAIR: Yes. Everybody -- all of this,  
24 again, is part of an industry-wide program. There are  
25 protocols and guidelines for all pieces of what comprise

1 the bulk power system and there's protocols for the  
2 distribution system. So again, a high degree of confidence  
3 on that. That was an issue, too, with the sense of  
4 somebody bought somebody else's asset and the physical  
5 transfer was occurring right in the middle of preparation  
6 for Y2K, what's the deal? Obviously the purchaser wanted  
7 to be assured that the program was in place and obviously  
8 it took responsibility to carry the program through. That,  
9 again, was an issue that we spoke to extensively in  
10 Connecticut.

11 COMMISSIONER DIAMOND: Thank you.

12 MR. SUKASKAS: Thank you. We'll turn to  
13 Bangor Hydro. Mike Williams.

14 MR. MIKE WILLIAMS

15 I appreciate the opportunity to come here today and  
16 communicate Bangor Hydro's Y2K status, as we've all  
17 indicated that communication is very important and I think  
18 we follow the national trend where people are less  
19 interested, actually, at this point, which wasn't what we  
20 thought it would be early on. I think that's due in most  
21 part to the industry and people within the State taking a  
22 proactive approach to communication.

23 When we were here on May 19<sup>th</sup> we indicated we were on  
24 track to meet our June 30<sup>th</sup> deadline with our critical  
25 items. In fact, we met that deadline, actually exceeded it

1     a little bit. We were done with our critical items and  
2     almost all of the non-critical items in the electric system  
3     prior to that, about mid June and followed closely before  
4     the end of June by our IT systems. Those things included  
5     for Bangor Hydro our entire electric system, internal tele-  
6     communications systems such as PBX devices, computer  
7     networks, both the wide area networks and local area  
8     networks, keep our internal IT system up and running, our  
9     major applications such as our customer information system  
10    and our geographic information system and our financial  
11    systems and key facilities such as UPS devices and backup  
12    generators for our IT components and whatnot. We were very  
13    happy to report to NERC that we were ready and weren't on  
14    their 'B' list I guess I'd call it.

15         We also completed our contingency planning which we --  
16    with the Commission. Our contingency planning, we didn't  
17    write a tome on it. The majority of our contingency  
18    planning is staffing plans so that we can have people  
19    throughout our service -- key points in our service  
20    territory. We don't have a lot of devices that are  
21    controlled digitally. We put folks in the areas where  
22    those devices are and again, most of that contingency plan  
23    relates, as Peter was indicating, that we want people to be  
24    able to react to a non-Y2K event very quickly so that folks  
25    won't think it is a Y2K event.

1           Since June 30 what have we been doing? We monitored  
2 changes in our systems. As you know, vendors do  
3 occasionally change their mind. As it relates to  
4 restructuring we've implemented some changes in development  
5 environments that we've been keeping very close track of.  
6 Kind of a clean management event that we're trying to make  
7 occur to make sure that we know what all those changes are  
8 and if they have any Y2K impact. We're monitoring our  
9 vendors and obviously what folks like ISO and the rest of  
10 the industry are doing to make sure that nobody has come up  
11 with a device in the distribution system that actually  
12 would cause a Y2K outage. I think that's a pretty strong  
13 statement that folks like NERC and EEI and whatnot have  
14 come out with, that they haven't found a single device that  
15 would cause an interruption of service in a distribution-  
16 type entity. We're continuing to test ancillary systems,  
17 some stand-alone desk top applications. These are non-  
18 critical items and I suspect we'll be testing those right  
19 up through year end, as most folks will, as changes occur.

20           We are also, as CMP indicated, continuing to refine  
21 our contingency plans as things change a little bit, and  
22 our transition plans. We also have a detailed transition  
23 plan. Our transition plan window is a little bit larger.  
24 We start the weekend before January 1<sup>st</sup> taking critical  
25 backups of our computer systems and making sure that we

1     have a couple different kinds of backups all stored on an  
2     off-site location. We also have very detailed, almost to  
3     the minute, transition plans during the night of the 31<sup>st</sup>;  
4     who's gonna be where, what will they be doing, what's their  
5     role, what's the communication channel and so on. We're  
6     also taking the opportunity to update logistical things  
7     dealing with the media. We've taken the approach if you  
8     can't beat 'em you're gonna join 'em. So, we're gonna  
9     invite them into our place and give updates at certain  
10    intervals, although those exact intervals haven't been  
11    decided yet; but they're very similar to the press releases  
12    you were referring to before. Thinking of giving them  
13    something earlier in the day for their 6 o'clock news cast.  
14    As things -- events transpire throughout the world we'll be  
15    monitoring those and commenting as to how those affect or  
16    won't affect us. Then we'll give them something for their  
17    6 o'clock news cast and probably invite them in one more  
18    time before midnight to re-appraise folks how things are  
19    going and shortly after midnight to see the status of our  
20    system; and we have communication channels to a central war  
21    room, or project office if you will, adjacent to customer  
22    service that we'll be able to keep apprised of.

23           Let me see. More importantly, I think, and I alluded  
24    to it earlier, that communications is a big thing. I  
25    believe Bangor Hydro, as well as others across the

1 industry, have done a real good job of communicating. We  
2 have an extensive detailed Web site. If you folks haven't  
3 seen it, I urge you to go out and do it. Community groups  
4 like the City of Bangor Community Initiative have really  
5 done a good job, I think; and I see Michael Petersen and  
6 Quita Ryder who are members of that, and we've mentioned  
7 the Governor's Task Force. I think in no small part is the  
8 -- people's fears have been allayed because we've taken the  
9 opportunity to communicate this.

10 The one area that we are stepping up efforts in is  
11 virus protection. No viruses could actually come in  
12 through the network and disturb our electric system, if you  
13 will. This is more from an IT standpoint. We want to make  
14 sure that when we -- before and during and after the  
15 transition that we look very closely at what things are  
16 coming in through our external communications, such as the  
17 Internet, and make sure that those things are very clean.  
18 So we're taking steps in that direction, especially as most  
19 of the press lately has been oh, by the way, we can shut  
20 your system down by hacking through it. So, we are  
21 stepping up efforts in that area.

22 I'd be more than happy to take any of your questions.

23 COMMISSIONER NUGENT: One question that  
24 occurs, not just for you but anyone else who's yet to  
25 testify, you refer to the fact that you'll be monitoring

1 events that occur earlier in the day. I gather what you're  
2 referring to is the fact the it's the transition -- the  
3 shift over the year starts maybe 18 hours or more earlier  
4 at the date line and starts sweeping across, coming from  
5 east to west. And there has been reported that while U.S.  
6 businesses, and particularly utilities, are well prepared  
7 and confident that no major disruptions will occur, that  
8 the same assurances can't be given elsewhere. Is there any  
9 likelihood that extensive coverage of what could be outages  
10 elsewhere if they actually occur will cause behavior on the  
11 part of U.S. consumers that could unduly stress the systems  
12 in a way that you might not have tested for?

13 MR. WILLIAMS: Anybody else feel free to jump  
14 in, but my feeling is that yes, and that's why it's  
15 important to identify those places that are similar in  
16 structure to our system so that if there are outages that  
17 occur, as we all know some countries have performed their  
18 Y2K diligence not quite as well as others. So I think it  
19 is important for us to identify those areas that are  
20 similar in structure and see how they do; and if they don't  
21 do so well, quickly ascertain why they didn't and see if  
22 you can rectify it before the transition happens to you;  
23 but yes, I feel there's a big risk that if things aren't  
24 going well as time zones change that people are going to  
25 panic.

1                   COMMISSIONER NUGENT: I'm not sure whether  
2     you've got enough time to react in that circumstance; or,  
3     if the system has a particular vulnerability in that case.  
4     I can see a report that half of India and all of the  
5     Ukraine went down and everybody gets upset.

6                   MR. SINCLAIR: I'll give you one example. I  
7     actually have a person with direct communication through  
8     ISO New England to two locations; one being Great Britain,  
9     and that's through National Grid, and now the relationship  
10    with New England Electric has given us that opportunity. So  
11    it's a person in the control room where we can get good  
12    quality information about what's going on versus CNN or any  
13    other what I'll call third party or second hand; and also  
14    in the case of ISO New England, Australia; and then other  
15    control areas that comprise the Northeast Power  
16    Coordinating Council have partnerships with others like  
17    Tokyo, by way of example, with Hydro-Quebec. So these  
18    relationships have been established and we have a sharing  
19    network, again, that allows us real time to share this  
20    information right to CMP, not just to ISO New England, but  
21    right through this integrated network; and I share your  
22    concern. It's similar to the one we talked about the  
23    lights going off at 12:05 on Number 5 Fire Road, or  
24    whatever, that you get a reaction that says what was that  
25    and it's important that we be able to communicate and



1 convey that and minimize any type of panic reaction.  
2 Again, I think we're confident that the systems that are  
3 similar to ours, technologically speaking, should do fine;  
4 and hopefully that'll again calibrate and validate, if you  
5 will, all the work that's been done. I don't think we're  
6 expecting that we should see much different there, but  
7 there will be parts of the world that nobody really has a  
8 good handle on. We've had the Russians in to visit, ISO  
9 New England, on two occasions. To them, power outages of 8  
10 hours is not a big deal. You do that in New England, you  
11 know, system wide, we haven't been there in 30 years and  
12 don't plan to be there. So again, it's just a different --  
13 almost a different take on the whole thing. So it wouldn't  
14 surprise me that to them an 8-hour outage until they figure  
15 out the problem is a yawn. But we'll watch it closely.  
16 We'll communicate. That's why the partnership that we have  
17 through Joe and Norm through our normal emergency  
18 communications channel, both directly from CMP and the ISO  
19 to you folks, is again to help get that information to you  
20 so you can help manage whatever the outcome could be from  
21 whatever is transpiring.

22 MR. SUKASKAS: Okay. Thank you. Up to the  
23 County, Maine Public, would you mind identify yourselves  
24 for the reporter, please.

25 MR. EATON: Michael Eaton.

1 MR. LaPLANTE: Larry LaPlante.

2 MR. CYR: Bill Cyr.

3 MR. LARRY LaPLANTE

4 Good morning, I'm going to do the presentation, and  
5 Mike Eaton and Bill Cyr are part of our Y2K project team  
6 and are available to answer any particular questions.

7 Maine Public Service considers itself -- mission  
8 critical systems to be Y2K ready, based on our evaluation  
9 of these systems and representations from external parties  
10 over which we have no direct control. We cannot foresee  
11 any reason for power outages due to the Y2K problem. Maine  
12 Public has been working on its Y2K readiness program for  
13 some time. In early 1998 we set up a project team made up  
14 of managers in critical areas of the Company. Both Bill  
15 Cyr and Mike Eaton are critical members of that team. We  
16 developed a Company-wide approach to managing the issues  
17 associated with the Year 2000 issues. This team reports  
18 directly to our CEO and regularly reports to our Board of  
19 Directors on the status of various projects. The Company's  
20 Y2K plan prescribed specific processes to follow to  
21 inventory, assess, test and replace noncompliant systems.  
22 Where possible we used independent testing results and we  
23 developed contingency plans for all of our mission critical  
24 systems.

1           On September 8<sup>th</sup> and 9<sup>th</sup> we participated in a test  
2           which was part of our Year 2000 preparedness plan and we  
3           checked and tested our comprehensive contingency plans. We  
4           did uncover a few minor deficiencies which have been since  
5           corrected. Our plan took into consideration the impact of  
6           NB Power with respect to the time zone differences and our  
7           dependency on our interconnection with NB Power. This  
8           system -- we successfully tested the black start  
9           capabilities of our Tinker Plant, of our former Tinker  
10          Plant, in New Brunswick. Of course, that plant is still on  
11          our system. We also have a switching plant in place to re-  
12          energize our system in case we lose the interconnection  
13          with NB Power; and obviously, in past hearings we've  
14          indicated the importance of that interconnection with New  
15          Brunswick. I think the last time we met there was a  
16          representative from NB Power here talking about their  
17          specific plans and their relationship with ISO New England  
18          and so forth.

19                   COMMISSIONER NUGENT: Have you any concern  
20          about NB Power's readiness?

21                   MR. LaPLANTE: NB Power consider themselves to  
22          be Year 2000 ready.

23                   COMMISSIONER NUGENT: And you don't have any  
24          reason to doubt that.

1                   MR. LaPLANTE: Don't have any. We've been  
2 continuously monitoring their activities, receiving  
3 information from them on their plans and their readiness.  
4 We have also received sufficient information from our  
5 system generators located on our system that they are also  
6 Y2K compliant. We are in contact with our large customers  
7 trying to determine what their load requirements are gonna  
8 be over that New Year weekend. We also have been in  
9 contact with all of our system generators to make sure that  
10 they will be on-line in case an interconnection is lost.  
11 We believe that with the generation available on our system  
12 we can support our load requirements over the New Year.

13               On December 31<sup>st</sup> we have -- part of our preparedness  
14 plan with require the deployment of about 20% of our staff  
15 to various key locations. They will be on duty from about  
16 10:30 P.M. to about 2 A.M. Again, the deployment of these  
17 people are an insurance policy. They're gonna be at key  
18 locations. If there is anything that happens that is  
19 unforeseen, they'll be there. We can manually do things to  
20 make sure that any loss of power will be limited and our  
21 customers will have service back as soon as possible.

22               Are there any questions?

23                   CHAIRMAN WELCH: Do I recall correctly that  
24 Nova Scotia actually rolled its whole system forward a few  
25 months ago?

1                   MR. SINCLAIR: They rolled a plant forward and  
2 have operated that plant since then in that configuration.

3                   CHAIRMAN WELCH: I was wondering, in any of  
4 these roll forwards that people have done have any sort of  
5 problems turned up?

6                   MR. SINCLAIR: Not that I'm aware of.

7                   MR. LaPLANTE: There's one generator located  
8 in Aroostook County that has rolled their system ahead and  
9 last I knew they were operating in the Year 2000 mode with  
10 no problems.

11                  MR. SUKASKAS: Thank you, Maine Public. We've  
12 heard from the investor-owned utilities. A number of  
13 Mainers are served by consumer-owned utilities, virtually  
14 all of which are members of the Dirigo Electric Co-op.  
15 Sharon Staz, from Kennebunk Light & Power representing  
16 Dirigo can fill us in on them.

17                               MS. SHARON STAZ

18                  MS. STAZ: Thank you. Sometimes I feel like  
19 we're at the bottom of the food chain; other times I feel  
20 like we're on top of it due to the lack of sophistication  
21 and computerized equipment within our systems; but as many  
22 of you may know, out of the eight members of Dirigo, three  
23 of them are islands. The islands typically are quite self-  
24 sufficient and fiercely independent. They are prepared for  
25 this. They've filed their contingency plans. They've

1     checked their systems, most of which are all manually  
2     operated and they are staffed to 7 24 every year and every  
3     New Year. So, they don't seem to have concerns. They're  
4     very reliant on Bangor Hydro and Central Maine Power and  
5     we're taking great confidence in the fact that those  
6     systems will continue to feed the islands. If they don't,  
7     two out of three of them have diesel generators and will  
8     simply revert back to the methodology that they used up  
9     until the mid 1980s of self-generation and self-reliance.  
10    On the mainland, three of our systems are, as you well  
11    know, in the hinterlands of Aroostook County. Van Buren is  
12    going to secede to Canada, I think, if need be; but  
13    they've, again such a small system, constant contact with  
14    wither community trying to spread the same message that all  
15    of us are, that this is something to be prepared for but  
16    not to panic about. Houlton Water Company has plans to be  
17    completely staffed that evening, bringing in their entire  
18    crew, as well as their families, and having a New Year's  
19    Eve party at the plant. We suggested that maybe that's the  
20    hottest spot in town to be, and they might open it up to  
21    the community; but they're feeling quite confident that  
22    their systems have all been checked; and again, their staff  
23    is prepared to carry on. EMEC, I spoke specifically with  
24    Scott Hallowell, who is their Y2K compliance officer as  
25    well as being their comptroller and he assured me yesterday

1       afternoon that all of their critical systems are indeed Y2K  
2       ready and compliant and/or have been remediated. So, they  
3       feel anything involved in their system that would keep the  
4       electrons flowing meets all the Y2K compliance necessary.  
5       They don't seem to have any concerns about any of their  
6       other billing or computerized efforts in that way. Scott  
7       again said, as Maine Public did of course, they are reliant  
8       on New Brunswick for their transmission, but they've been  
9       in contact with them and have received assurances from New  
10      Brunswick that they are indeed Y2K ready and they don't  
11      expect to have any problems there. That leaves Madison and  
12      Kennebunk. We are reliant on CMP and have been in touch  
13      with them. Kennebunk sent out a newsletter on Y2K to all  
14      5,300 customers in our system and I don't know whether it  
15      was a great newsletter or the fact that no one read it, but  
16      we didn't receive one single phone call as a result of that  
17      letter. That went out in September. We've tried about  
18      every other month to give some type of communication to our  
19      customers, either directly on their bill or with enclosures  
20      indicating again the message that we've tested everything  
21      internal to our systems. We are, indeed, ready. We don't  
22      see New Year's Eve of December 31, 1999, being any  
23      different than any other one except that a lot more of us  
24      will be working that night than we have in the past; and we  
25      seem to be getting that message across.

1           I do have a couple of comments. I think it would be  
2 extremely helpful, maybe this has been done in some of the  
3 other systems, but I know I personally haven't received  
4 anything, but for those of you that are establishing these  
5 hot lines and these communications centers, that if you  
6 could get to the managers of each of the consumer-owned  
7 systems what the hot line number is, who should we call  
8 that particular night so that we can get a direct line to  
9 someone to say whether it's your system that's gone down or  
10 the pool that's gone down or something that's happened  
11 somewhere else. That would be extremely helpful, and I  
12 will make sure that we do the same. If you get that person  
13 to me, I'll get the names of the consumer-owned and their  
14 own phone numbers or wherever they're going to be back to  
15 you. That's a critical link and I know sometimes when we  
16 have had low voltage requests or generators come on-line  
17 just because of the problems in the pool, sometimes it's  
18 been a little difficult to get to the right person because  
19 CMP's line, for instance, are so busy with every consumer  
20 calling wanting to know what's up, and if I'm calling that  
21 same number, it doesn't matter whether I'm the manager of  
22 another utility or Joe Blow off the street; and it  
23 shouldn't. We should be treated equally in many ways, but  
24 in some cases maybe we need to have a little more direct  
25 information, and that can help us take care of some of the



1       folks in our area. We all get calls from our neighboring  
2       utility people, particularly in the areas where we serve --  
3       some of our towns are split and served by other utilities.  
4       Those residents of our towns will still call us and want to  
5       know what's happening; and if we know what's going on, we  
6       can help calm those fears. So, I'll make that pledge to  
7       you on behalf of the eight consumer-owners. If you'll show  
8       us the same information, it will be very helpful.

9               The other thing that we have had in the past, and I've  
10      shared with you, is a concern about what happens the day  
11      after the movie Sunday night. What happens the day after  
12      some generator salesperson decides to panic the elderly in  
13      their all electric condominiums and that kind of thing?  
14      What we've tried to do is offer to any of our customers if  
15      they want to look at a generator to share that information  
16      with us, we'll be happy to evaluate it for them, we'll be  
17      happy to give them an idea of whether or not we think it's  
18      a good deal, whether or not it's priced appropriately.  
19      We'll give them advice on how to get it installed and make  
20      sure that they understand why they're purchasing that piece  
21      of equipment and that kind of thing; and all of us have  
22      been doing that. We are indeed in our communities and a  
23      lot closer to our customers than some of the other  
24      utilities by virtue of size. And we've had some people  
25      take advantage of that. Once again, our mission has been

1 to say to them this is an individual choice. It's  
2 something that you need to be concerned about for more than  
3 this reason if you have concerns, and to offer to them  
4 contingency plans. We've worked, for instance, with our  
5 community. If we have people that are on dialysis  
6 machines, which seems to be a concern of several people,  
7 we've worked out a way, or we will offer them free  
8 transportation to the hospital that will be operating on a  
9 generator so that they don't need to go to that expense  
10 themselves if they choose not to. So, we're offering them  
11 alternatives as well as trying to assure them of the  
12 integrity of the electric system.

13 COMMISSIONER DIAMOND: I would just ask the  
14 general question to everybody, is there a sense there's  
15 anything more that we ought to be doing as a Commission  
16 than is now being done? I'm happy not to have an answer,  
17 but since you're reporting on what you're doing, I would  
18 give you the opportunity to send it back our way.

19 MS. STAZ: I think you've done a good job in  
20 terms of helping us communicate with each other, and that  
21 is critical.

22 MR. SUKASKAS: Before anyone has any thoughts  
23 on that, let's keep on moving. Let's keep with energy for  
24 the moment. Thank you for the electric sector. If we can  
25 ask CMP Natural Gas and Northern Utilities to come on up

1 and fill us in on their preparations. From CMP Natural Gas  
2 we expected to see Darrel Quimby, Gary Kenny and Tim  
3 Kelley.

4 MR. GARY KENNY

5 MR. KENNY: I'm Gary Kenny. I expect Tim very  
6 shortly. Darrel won't be here.

7 MR. SUKASKAS: Okay. Well, why don't we get  
8 started. CMP?

9 MR. KENNY: Sure. As you're well aware, we're  
10 a start-up company. Everything that we have procured we've  
11 received vendor assurances that those items are Y2K  
12 compliant. Our only distribution system now is in Windham.  
13 The metering and regulating station is monitored by New  
14 York State Electric & Gas' gas control center in  
15 Binghamton, New York. They have gone through an extensive  
16 Y2K compliance program there and assure us that they are  
17 indeed compliant. The metering and regulating station is  
18 monitored via telephone lines. It dials into NYSEG's gas  
19 control in an alarming situation and is dialed up by  
20 NYSEG's gas control for periodic monitoring. In the event  
21 of loss of communications, everything can be monitored  
22 manually at the station. In the event of loss of  
23 electricity to the station we do have an emergency  
24 generator that will provide backup to the station. Our  
25 plan for monitoring the station is to dial into it, either

1 directly ourselves or have NYSEG do it, if indeed the  
2 communications are available to NYSEG, to verify that the  
3 station is not operating -- that it is operating, excuse  
4 me. If there is a problem we will respond immediately to  
5 the station. The delivery of mechanical gas is mechanical.  
6 It's dependent on electronics for two things, one of which  
7 is the heating of the gas as it's reduced in pressure.  
8 With the load that we have on our system now, those  
9 problems that develop through the loss of power would not  
10 be immediate. There would be time to get the generator  
11 hooked up and power in the station before any problems  
12 develop with that.

13 The second use of electricity in the delivery system  
14 is the odorization system. However, currently the pipeline  
15 gas being supplied to us is odorized to a level that  
16 exceeds our O&M standards. If that changed and became an  
17 issue, again the emergency generator would power that  
18 odorant system.

19 Again, the event of loss of communications, if all  
20 communications are lost, we depend on telephones and  
21 cellular phones. However, we do have some hand-held  
22 portable radios for local communications, one of which we  
23 would provide to the Windham Fire Department so that they  
24 could get in contact with us.

1           And regarding the computer system in our office, we  
2           have a network of PCs. Basically, the only thing if for  
3           some reason we have a problem with those, it would affect  
4           billing. As it is now, our billing system is an Excel  
5           spreadsheet which is backed up. So that should not be a  
6           problem. Billing is probably not looked upon as an urgent  
7           thing if we do have problems with Y2K.

8           That's all I have and I'd be glad to answer any  
9           questions that you may have.

10                   COMMISSIONER NUGENT: What are the hazards  
11           associated with a disruption in natural gas fuel to your  
12           customers? You have a limited number of customers.  
13           Generally they would have new technology in place. The  
14           hazard -- there is inconvenience and discomfort if you lose  
15           your heating source, or cooking if you're a Friendly's, or  
16           whatever it is. Is disruption and restoration of service a  
17           risk of gas flowing without a pilot light or do you have --  
18           is all this equipment of a generation such that that hazard  
19           is reduced or eliminated?

20                   MR. KENNY: What we would plan to do, if we  
21           knew that our gas supply were to be interrupted, again  
22           because the delivery to us is all through mechanical  
23           equipment, unless the supplying pipeline company shut us  
24           down at our tap point, that loss would not be immediate.  
25           There would be some capability to operate off line pack;

1     and again, that is a function of the gas we'd be taking off  
2     the system.  If there are power plants that are still  
3     operating and there is no supply coming into the pipeline  
4     system, that line pack would be depleted very quickly.  Our  
5     plan is to shut down our system in a controlled fashion  
6     such that we maintain at least some positive pressure;  
7     ideally, somewhere in the order of 20 to 30 psi so that  
8     there is gas in the system.  We would contact all our  
9     customers, get them shut off in a controlled fashion.  
10    Hopefully we would -- the supply to us would last long  
11    enough so that we could shut down in a controlled fashion.  
12    But as far as the equipment with no gas supply, we would  
13    shut everybody off at the meter if there was a loss of  
14    supply, so then with no gas coming in there would be  
15    hazard.

16                   COMMISSIONER NUGENT:  In a customer's meter or  
17    some bulk meter?

18                   MR. KENNY:  At the customer's meter.

19                   COMMISSIONER NUGENT:  And then you would have  
20    -- you're equipped or prepared or manned to be able to  
21    bring people back up as supply returns?

22                   MR. KENNY:  Yes.

23                   COMMISSIONER NUGENT:  And your customers are  
24    all non-residential right now, is that right?

1                   MR. KENNY: We have one residential customer  
2 on-line now and I think we will have I believe it's nine  
3 others that are lined up to be connected very soon.

4                   COMMISSIONER NUGENT: Prior to January.

5                   MR. KENNY: Correct.

6                   COMMISSIONER NUGENT: I won't ask how many  
7 miles of pipe you have installed versus how many miles  
8 there are in Windham. We'll save that for another context.  
9 Thank you.

10                  MR. SUKASKAS: Okay. Northern Utilities.  
11 Again for the reporter would you mind identifying  
12 yourselves, please.

13                                 MR. DAN COTE

14                  MR. COTE: Yes. I'm Danny Cote. I am  
15 Northern's Vice President and General Manager. I have with  
16 me Barbara Farrell from our IS department.

17                  With the Commission's permission, the last time we  
18 were here we really covered the IS aspects of our Y2K  
19 remediation, the inventory assessment remediation and  
20 testing. Those are complete and, again, have been  
21 successfully completed. So I'd like to take the next few  
22 focus to focus really on the operational issues around  
23 12/31 and the Y2K aspects of operating a gas system.

24                  If you go to page 4 in your handout this really tells  
25 the entire story of an integrated gas network. In terms of

1 exposure to individual LDCs, we are all virtually dependent  
2 on the pipeline system, the interstate transmission system  
3 that feeds us. Now here in New England we basically have  
4 four major, or expect to have four major sources of gas by  
5 12/31, two of which are Canadian sources, PNGTS and the  
6 Maritimes line that you're familiar, two of which are  
7 Central or Western United States sources, Tennessee and  
8 Duke Energy.

9 We've been an upstream contact through the New England  
10 Gas Association with all of those pipelines and the New  
11 England Gas Association, under its operating board which I  
12 happen to chair, began the Y2K planning approximately a  
13 year ago. Basically, every LDC in New England and every  
14 major pipeline supplier got together to put together an  
15 integrated plan of dealing with Y2K. Unlike electricity,  
16 natural gas is not a real time commodity, frankly. Gas  
17 travels for several days through the pipeline before it  
18 ultimately reaches its consumer from the well or from the  
19 producer. Now, we've been in contact with the producers  
20 and the pipeliners on whom we are dependent for our supply  
21 and find that they've done a thorough job in Y2K  
22 remediation. We've also participated in two drills with  
23 the New England Gas Association, including a table top  
24 exercise and a hands-on communication drill that included  
25 those pipeline suppliers. So, we're very comforted that



1 the pipeline supply will remain pressurized through 12/31.  
2 We're also, from a Northern Utilities perspective, we will  
3 have our critical peak shaving facilities, that the  
4 Commission is quite familiar with, those will be manned  
5 through that time and so what we intend to do is basically  
6 look upstream into the supply on a continuous basis through  
7 12/31 to assure ourselves of a supply; and as an industry  
8 in New England, are prepared to act proactively in  
9 anticipating pressure drops or pressure changes in that  
10 pipeline. So, for example, if one group of producers seems  
11 so be failing or doesn't seem to stay on-line, then we can  
12 respond immediately with peak shaving before we see that  
13 drop in pressure flow through the pipeline system. So in  
14 effect, we would take over those supply requirements at  
15 that point. Again, we don't anticipate any of that but are  
16 certainly prepared for that eventuality, not just in terms  
17 of Northern Utilities but the entire New England gas  
18 industry.

19 CHAIRMAN WELCH: Where does Maritimes -- has  
20 Maritimes worked out its Canadian difficulties and do you  
21 expect them to have gas flowing by the end of the year?

22 MR. COTE: They tell us they will. And again,  
23 I wouldn't presume to comment on just how real that is. I  
24 just don't have enough expertise, Commissioner.

1                   CHAIRMAN WELCH: But even absent Maritimes,  
2     you're confident you have enough supply flowing and that  
3     would just be a redundant source at this point?

4                   MR. COTE: Absolutely correct. None of our  
5     supplies are dependent on that line being in service. And  
6     frankly, we're fortunate in that we have with PNGTS having  
7     been up and running for most of this year and having the  
8     traditional supplies from the Central United States through  
9     the Tennessee and the Duke systems. We feel like the  
10    supply picture in all of New England is very, very solid.

11                  COMMISSIONER NUGENT: Is M&N loaded from the  
12    south?

13                  MR. COTE: Yes. They pressurized a -- I'm not  
14    sure it's pressurized all the way. I know they pressurized  
15    a section through Maine. I'm not sure it's pressurized all  
16    the way to the end of the system.

17                  COMMISSIONER NUGENT: So the problem that's to  
18    be worked out is the whole question of bringing the supply  
19    on shore and the problem with the Indians, the dispute with  
20    the Micmacs.

21                  MR. COTE: As I understand it, those are the  
22    two critical problems.

23                  COMMISSIONER NUGENT: But otherwise, supply  
24    may be available up that line if anyone were to tap it from  
25    the south; and to the extent no one's tapping it, it

1 represents a resource that's in the region, kind of a  
2 reservoir.

3 MR. COTE: Exactly. That's exactly correct  
4 because those pipeline systems really do function as very,  
5 very large holders, and by our monitoring the upstream flow  
6 into New England, we think we can act very proactively  
7 before a problem develops.

8 In addition to those critical plans, we're prepared on  
9 12/31 to man our critical sites. We'll have headquarters  
10 in our Lewiston systems and Portland systems operating.  
11 We'll have our emergency response personnel out on our  
12 system. We're managing FEMA communications centers so we  
13 can coordinate with all the fire departments in our service  
14 territories, and are really basically planning in terms of  
15 what happens if there is a loss of communications or a loss  
16 of electricity. Those are really very low impact items  
17 from the gas service. As the representative from CMP Gas  
18 said, natural gas is very much a mechanical process, and  
19 even as you look at that drawing, the two critical  
20 locations are, of course, the wells and the compressor  
21 stations, both of which are on pipelines and all of which  
22 will be manned by our upstream suppliers. City gate  
23 stations we're monitoring, but there's really virtually  
24 nothing there to fail. If they weren't monitored and there  
25 were no electricity, they would continue to operate for an

1 extended period quite satisfactorily. Those locations that  
2 require heat, eventually that would be a problem, but it  
3 would certainly be hours later and would certainly provide  
4 ample time to react.

5 In terms of the rest of the distribution system, again  
6 it's a series of mechanical control functions that are non-  
7 Y2K dependent. They operate now. They'll operate on 12/31  
8 and on 1/1/2000. So there aren't a great deal of devices  
9 to fail in terms of that system, though we will be  
10 monitoring the key points in our system on 12/31 in case we  
11 lose telephone, for example.

12 CHAIRMAN WELCH: In other words, the piece of  
13 the system that steps down the pressure is mechanical?

14 MR. COTE: That's correct. So, our real issue  
15 in the event that we lose telephone communications with our  
16 outlying areas is to simply have people there to monitor  
17 the pressures to ensure that it's operating correctly. But  
18 again, we don't anticipate any problems in those. Our  
19 primary concerns and focus will be maintaining communi-  
20 cations with our customers. In the event, for example, a  
21 section of a telephone system goes down, our key  
22 communications coordinators are with local fire departments  
23 who typically hear of problems in their towns immediately.  
24 For example, if there were an odor complaint on a street,  
25 absolutely unrelated to Y2K, but if someone smells gas

1     because the pilot is out on the range, for example, or  
2     there's a leak somewhere in the system, we would simply  
3     want to be able to be on top of that, so we're manning fire  
4     departments, and again, as I said, the FEMA emergency  
5     command post. From an operational perspective that is  
6     basically the plan. We're very comforted with the  
7     contingency planning that we've done through Y2K. Our  
8     testing has been very successful. We have a couple of more  
9     communications tests scheduled for over the next month, but  
10    we're very comfortable that we're certainly prepared for  
11    Y2K. All of that said -- and ultimately, again, in a worse  
12    case scenario where there have been communications and  
13    electrical failures, it simply means there's less gas load  
14    in terms of the system. So, we're prepared to monitor for  
15    over-pressure in our systems as well as under-pressure and  
16    are comfortable that we're ready to handle it.

17           That said, gentlemen, I would be pleased to answer  
18    questions.

19                   MR. SUKASKAS: Dan, in the last couple of  
20    weeks the major oil interstate pipelines have announced  
21    that they'll be shutting down their oil pipelines over New  
22    Year's Eve for several hours. In a nutshell, what's the  
23    difference? Why will the gas interstate pipelines function  
24    while the oil ones might be coming off line?

1                   MR. COTE: I don't have enormous expertise in  
2 oil pipelines, let me say that at the outset; but most of  
3 those are connected to terminals with very large tank  
4 storage as opposed to a real time delivery system where the  
5 gas that goes through our regulator, our city gate  
6 stations, for example, an hour, two hours or at some very  
7 short interval and later are burned by our customers. In  
8 terms of the interstate system, they want to maintain that  
9 continuously pressurized at their normal operating  
10 pressures because it constitutes a large storage facility.  
11 Gas in very large pipelines under hundreds or even over a  
12 thousand pounds constitutes very large storage. So there's  
13 no advantage to taking those out of service. I think the  
14 oil companies, from my perspective, can do it simply  
15 because they can and they're connected to refineries and  
16 storage that's available. So they don't need to be  
17 operating continuously 24/7 functionality. The gas system  
18 really does, and I think that's the difference.

19                   COMMISSIONER NUGENT: I'll ask the same  
20 question that I asked CMPNG. In the remote circumstance  
21 that you do lose supply to an area, is there any public  
22 safety threat that would be associated with that?

23                   MR. COTE: No. The difficulty is based -- is  
24 simply based on the volume of customers. As you know, we  
25 have approximately 25,000 customers in Maine and it

1 wouldn't be a situation where as soon as the gas were  
2 re-pressurized we could light them up. What we would have  
3 to do is use our emergency operating plans that are in  
4 place now, isolate sections of the system, get to every  
5 meter in that system, shut them off and bring them back on.  
6 It would take days. That said, we don't see any way that  
7 we could be dependent -- that we could have a failure in  
8 Maine that wasn't related to a larger problem that would  
9 either be New England-wide or Eastern Regional; and again,  
10 we believe that we've taken every possible step to avoid  
11 that eventuality. We're also, as you know, planning to man  
12 our peak shaving facilities. So even in the event of a  
13 pipeline problem, we believe that Maine could sustain  
14 itself for some period of time without pipeline capacity.  
15 Some of that is a function, of course, of how cold it is  
16 and large customers being on-line. We've had a lot of  
17 communications with large customers. We find that many of  
18 our large industrials are planning to shut down through  
19 that period anyway, which is sort of a form of voluntary  
20 load shedding through the January 1<sup>st</sup> period. We're  
21 planning for those kinds of things and absolutely are  
22 comfortable that we've taken every possible contingency to  
23 prevent an outage.

24 COMMISSIONER NUGENT; One question on your  
25 page 4 diagram. What is inches, wc?

1                   MR. COTE: Water column. It's a measurement  
2 of gas. Typically in our low pressure systems in inner  
3 Portland, for example, and Lewiston/Auburn, the appliance  
4 is operated at  $\frac{1}{4}$  of a pound of gas pressure. That's called  
5 low pressure. It's just a measurement on a water gauge.

6                   COMMISSIONER NUGENT: Thank you.

7                   CHAIRMAN WELCH: If, for example, there was a  
8 problem with the production -- on the production side that  
9 sort of stopped new gas coming into the pipelines, how long  
10 could your system go without having to go out and shut off  
11 meters, just from the storage that's sitting in the  
12 pipelines?

13                   MR. COTE: That's very much a function of  
14 temperature. Certainly, it could go hours in Maine, for  
15 example. Assuming that Granite State did a few prudent  
16 things, our upstate supplier, if they closed some critical  
17 valves to hold the pressure in the system, if we got --  
18 certainly we would want to get peak shaving facilities on  
19 very quickly, but there is that sort of time. Again, it's  
20 not real time in the sense of electricity where the  
21 molecules are at the speed of light. A typical gas  
22 molecule in a pipeline travels at about 35 miles an hour.

23                   CHAIRMAN WELCH: Okay, thank you.



1                   MR. SUKASKAS: Thank you very much. We'll  
2     take a short break now for about 15 minutes and reconvene  
3     with Telcom and drinking water utilities.

4                                 OFF RECORD

5     (Back on the record)

6                   MR. SUKASKAS: Okay, we'll resume our briefing  
7     on Y2K readiness of Maine utilities. We're gonna be going  
8     to the telcom sector next. From Bell Atlantic Maine we  
9     understand that Bernie Pfeiffer and Ed Dinan are here to  
10    talk to us. Gentlemen.

11                                MR. ED DINAN

12           Bernie's gonna go through the detail on -- and the  
13    only thing I want to make is some opening comments, a  
14    couple of things.

15           First, our focus now is contingency planning. We've  
16    gone through all the testing. We're very satisfied with  
17    our testing on June 30<sup>th</sup>. We were very satisfied with how  
18    well our test went 9/9/99; and as a matter of fact, as we  
19    speak we're going through in our corporation an emergency  
20    preparedness test today, so I appreciate Bernie being here  
21    in Maine as opposed to being down and bunkered down in  
22    Philadelphia; but we're very confident that not only has  
23    our testing worked well but that we have a viable and vital  
24    contingency plan. We filed the contingency plan on  
25    November 10<sup>th</sup>. We issued a press release yesterday. I'm

1     going to be very frank. This is my expectation. We were  
2     just interviewed briefly by the Bangor Daily News. The Y2K  
3     movie is coming out this weekend and I see that as an  
4     opportunity in some ways to -- because I think there'll be  
5     some press coming out of the movie; and what we'd like to  
6     do in our case is issue an additional press release after  
7     the movie. We're planning to provide our contingency plan  
8     after the movie. I think this will be an opportunity for  
9     us to allay any fears that the public may obtain from  
10    seeing the movie. One parenthetical comment is that, and  
11    the trail is on the movie, while there are problems with  
12    airplanes and other things, the telecommunications services  
13    worked during the entire movie. So, if you have any  
14    problems give us a call. I think we're gonna do the things  
15    -- I think the timing is right now as we get closer and  
16    closer to January 1<sup>st</sup> to spend more time, and we're spending  
17    time and Bernie will talk about it, communicating with our  
18    customers, making sure they know that all the work we've  
19    done has put us in a very, very good position to be  
20    responsive on January 1<sup>st</sup>. Today we're going through some  
21    testing. We are now getting people ready so that they will  
22    be ready during the critical period just prior to January  
23    1<sup>st</sup> and then after January 1<sup>st</sup> to answer customer questions  
24    to make sure everything is going well; but we're gonna  
25    spend more time making sure that our customers and the

1 Commission are aware that we're ready not only in terms of  
2 our testing and in terms of our fundamental plans, but also  
3 our contingency plans.

4 With that, I'll turn it over to Bernie who's going to  
5 go through where we stand right now on a time table basis,  
6 updating us from the last time he and I came here to talk.  
7 Bernie? This is Bernie Pfeiffer.

8 MR. BERNIE PFEIFFER

9 My name is Bernie Pfeiffer. Good morning Chairman  
10 Welch, members of the Commission. I am the Executive  
11 Director for the Year 2000 program external affairs. On  
12 behalf of the corporation I'd like to thank you for the  
13 opportunity for Bell Atlantic to again inform you of the  
14 steps that we're taking to address the Year 2000 problems  
15 and our roll over event planning. My remarks are a  
16 consolidation of my written testimony, which has been  
17 provided to you.

18 Bell Atlantic's goal was to have its network and other  
19 mission critical systems Year 2000 compliant by the end of  
20 June, 1999. Bell Atlantic met that goal with the exception  
21 of a small handful of items which have since been cared  
22 for. The successful completion of this effort is intended  
23 to ensure that Bell Atlantic's telecommunications services  
24 will continue uninterrupted on and after New Year's Day of  
25 the Year 2000. In addition to our Y2K compliance program

1 we are also currently reviewing, refining and testing our  
2 contingency plans. Again, as Ed mentioned, today in fact  
3 is what we call a live fire exercise. We have all of our  
4 command centers up and running interconnected with our  
5 emergency command center which is actually at 1095 Avenue  
6 of the Americas in New York; and we will be testing not  
7 only the communications of that, but also interjecting  
8 different exercises or different situations to see how  
9 people react to it and to make sure that the appropriate  
10 actions are taken on the part of the people who are in the  
11 command centers.

12 We have also most recently filed a copy of our  
13 contingency plan with the Maine Public Utilities Commission  
14 and we expect to be able to handle any unexpected events.

15 Our compliance program focused on core building blocks  
16 of our telecom network, which is made up of tens of  
17 thousands of components, ranging from central office  
18 switches and other network elements to software  
19 applications and main frame computers. In my expanded  
20 testimony there's a detailed accounting by category for  
21 your information.

22 Testing has been and continues to be a key component  
23 of Bell Atlantic's overall Year 2000 compliance strategy.  
24 All systems and equipment have been tested individually,  
25 known as Level 1 testing, and in clusters called Level 2

1 testing and by interoperability testing between systems and  
2 among carriers where appropriate. Testing has been  
3 conducted by Bell Atlantic directly, sometimes by vendors  
4 like Telecordia (sic) Technology, formerly known as  
5 Bellcore, by consortias such as the Telco Year 2000 Forum,  
6 of which GTE is also a member, and ATS, the Alliance for  
7 Telecommunications Solutions, which includes inter-exchange  
8 carriers, competitive carriers and telecommunications  
9 vendors. We've also recently completed a testing program  
10 with the North American Electric Reliability Council, NERC,  
11 and AT&T to jointly test circuits representative of the  
12 type used by electric utility companies to communicate  
13 amongst themselves and their control centers.  
14 Specifically, these test addressed the data circuits that  
15 are used to transmit data from remote telemetry units, or  
16 RTUs, typically located at substations, to the power  
17 company control centers and the SCADA systems, and from the  
18 local power company control centers to the regional power  
19 pool control centers. The important thing to understand is  
20 that this was a joint and concurrent test where both the  
21 electric utility equipment as well as the Bell Atlantic and  
22 AT&T communications equipment was tested simultaneously in  
23 a date forward mode. The results are very positive and are  
24 available at the NERC's Web site.

1           As part of our Y2K program we've also developed a  
2 corporate Year 2000 contingency plan which I have a copy of  
3 here and which has been filed with the Commission to ensure  
4 that core business functions and key support processes are  
5 in place for uninterrupted processing and custom service  
6 even in the event of unexpected disruptions. This means  
7 planning for service continuity in the event of a loss or  
8 interruption or flow of data or power either internal or  
9 external.

10           As a public telecommunications carrier we've had  
11 considerable experience successfully dealing with natural  
12 disasters and other events requiring contingency planning  
13 and execution, most recently with Hurricane Floyd this past  
14 September and with the ice storm up here in January of '98.  
15 As part of our effort to develop appropriate Year 2000  
16 contingency plans, we've built on our existing emergency  
17 preparedness and disaster recovery plans for any necessary  
18 modifications. While we do not expect that we will have to  
19 trigger our contingency plans, we will be prepared  
20 nonetheless. To help ensure that our telecommunications  
21 network remains Y2K compliant, we've implemented a clean  
22 management system intended to prevent the re-introduction  
23 of errors into remediated systems and a software and  
24 network stabilization period to minimize changes to the  
25 production environment during this period of time.

1           At the time of the roll over event, Bell Atlantic will  
2     be operating an emergency operations center which will be  
3     monitoring our regional network operation centers and  
4     prepared to respond to any emergency. The EOC will be in  
5     contract with control centers representing the various  
6     functions and business units within Bell Atlantic. These  
7     control centers will be monitoring their own equipment,  
8     people and service situations and reporting extraordinary  
9     events to the EOC. The command centers and the EOC will be  
10    prepared to direct restoration of service, coordinate with  
11    federal and state EMAs should disruptions occur. Bell  
12    Atlantic external affairs will be part of the emergency  
13    operations center and prepared to proactively inform  
14    governmental, regulatory and media agencies should  
15    something occur. In addition, beginning 6 A.M. on December  
16    31, 1999, the Bell Atlantic EOC will be participating in a  
17    follow the sun program which will put us in contact with  
18    the Far East where Y2K will first begin and then in  
19    successive time zones working their way west. In this  
20    fashion, working cooperatively with our vendors and others,  
21    we will be able to know if problems are being encountered  
22    and whether they affect the type of equipment that we use  
23    in our network.

24           In order to keep our customers informed, Bell Atlantic  
25    has also instituted the Customer Notification Program that

1 targets all of our customers, business or residential,  
2 large or small. This is a multi-pronged effort composed of  
3 customer awareness sessions throughout our footprint in  
4 Maine as recently as October 8<sup>th</sup> and written communications  
5 to residential customers via the June bill inserts. There  
6 will be additional communication by envelope and bill  
7 insert teasers in I think this month and in December.

8 For customers interested in finding more information  
9 concerning Bell Atlantic's preparations, our Web site is  
10 [www.BEL-ATL.com/year2000](http://www.BEL-ATL.com/year2000). As I hope you can see, Bell  
11 Atlantic is committed to ensuring that our telecom-  
12 munications network continues to operate in an  
13 uninterrupted fashion well into the next millennium. Our  
14 remediation program, combined with our contingency planning  
15 efforts and roll over event preparations at the EOC, we  
16 feel very well prepared to tackle any issues that may be  
17 thrown our way.

18 Thank you for this opportunity and I'm prepared to  
19 answer any questions you may have.

20 CHAIRMAN WELCH: Do you have any sense -- one  
21 of the things we've heard a couple of times this morning is  
22 that a lot of people are using the Web to disseminate  
23 information; but presumably, to get on the Web people have  
24 to use a phone line. That's correct for the most part. Do  
25 you have a sense of what the likelihood is of just too many



1 people getting on the system either just before or just  
2 after the roll over and what's your plan for dealing with  
3 it?

4 MR. PFEIFFER: As you may be aware, on any  
5 typical New Year's Eve for a short period of time,  
6 immediately after watching the ball drop on Times Square on  
7 TV, there is usually an overload on the telecommunications  
8 systems. People call up to make well-wishing phone calls  
9 to their loved ones. That period of time is usually fairly  
10 short, 5 to 10 minutes, something like that, and then  
11 relaxes as the amount of load goes down. This year is not  
12 expected to be an exception. We will deal with that and be  
13 monitoring that from the standpoint that while there's no  
14 immediate action that can be taken to increase the amount  
15 of capacity on the network, we'll be watching to make sure  
16 that these overloads don't somehow trigger additional or  
17 unusual blockages or other events which need to be taken  
18 care of.

19 MR. DINAN: One other additional thing, Tom,  
20 that we have done and are doing, consistent with other  
21 telephone companies, is we are sending out messages that  
22 people should be careful particularly right after midnight  
23 of their telephone usage for exactly that issue. We're  
24 trying to let people realize don't just jump and use your  
25 phone immediately as the clock strikes 12. We'll be

1 continuing to do that, and I believe we're going to be  
2 putting some of those messages out, particularly around  
3 this event this weekend so people are cognizant of the fact  
4 that that's something they should be a little bit concerned  
5 about. Use the phone in an intelligent manner for  
6 essential calls and let's keep the phone lines open during  
7 that period.

8 CHAIRMAN WELCH: Two things. One is is there  
9 any -- do you have any sense that people might sort of go  
10 on-line at 6 o'clock Eastern Time and sort of stay on-line  
11 for the next 22 hours to monitor things as it goes?

12 MR. PFEIFFER: It's entirely possible.

13 CHAIRMAN WELCH: Particularly with the  
14 Internet, make holding times look really awful.

15 MR. PFEIFFER: That's entirely possible. We  
16 are, in fact, prepared -- we're expecting to have high  
17 levels of demand load during this period time, more than  
18 you would normally have on a holiday weekend where  
19 typically the use of the network is very low. We're  
20 expecting usages probably at a normal business day, Monday  
21 morning business day type of a volume, which is fairly high  
22 in the typical engineering levels that are used for volume.

23 CHAIRMAN WELCH: How about the ability of the  
24 Web itself? I realize it's not yours to manage, but is

1       there conversations with people who do run the Web? Are  
2       they expecting to be able to carry the traffic?

3                   MR. PFEIFFER: Again, it's -- that's not an  
4       area of my expertise, but from what I understand, the basic  
5       protocols built around being able to operate in a congested  
6       environment and that essentially what will happen is that  
7       as the -- there is a, quote, overload over the normal  
8       demand, that the response times will tend to slow. We will  
9       be using an internal Internet system which will be -- which  
10      is on separate lines, so we expect to be able to manage our  
11      internal operations in a fairly normal manner.

12                  CHAIRMAN WELCH: Does it make any sense, and  
13      maybe this is something you're already doing, to sort of  
14      let people know that every January there's this problem, or  
15      at times of peak like Mother's Day and things like that,  
16      it's hard to get a line. So people won't view it when they  
17      pick it up and don't get a dial tone, they understand this  
18      may just be the normal phenomenon?

19                  MR. PFEIFFER: Right. That is part of our  
20      plan is to, as the time gets closer, to make people aware  
21      of that situation and to try to, as Ed mentioned, to try to  
22      get them to consciously defer for 5 or 10 or 15 minutes  
23      making that congratulatory phone call. Individual customer  
24      behavior is something that's very difficult to manage; but  
25      we're gonna try our best.

1                   MR. DINAN: But in this case, given the  
2                   serious nature of this specific day, we're going to try to  
3                   get a very clear message out that this is the time for  
4                   people to be a little bit more patient as they use the  
5                   telephone to congratulate people; and we will be getting  
6                   that message out in a consistent fashion over the next two  
7                   months.

8                   COMMISSIONER NUGENT: Do you have that message  
9                   defined now? You have to have lead time to get messages  
10                  out.

11                  MR. DINAN: The message is already defined and  
12                  as a matter of fact, I would -- my understanding is we will  
13                  see that message either on the interviews after Y2K The  
14                  Movie, or before Y2K The Movie, because that movie is going  
15                  to provide an opportunity for us to start putting people in  
16                  the right frame of mind for the changeover; and we'll do  
17                  that. It's actually an opportunity, an opportunity to  
18                  educate.

19                  COMMISSIONER NUGENT: Mr. Pfeiffer, you talked  
20                  about people trying to contact loved ones in the few  
21                  minutes around midnight. I've tried to do that and if it's  
22                  overloaded you get a busy signal. Is there any consequence  
23                  for the system beyond people just getting a busy signal, of  
24                  many people picking up the phone simultaneously? Can it  
25                  cause a physical damage? Can it cause a software

1 interruption? Something that would be in effect beyond  
2 just putting the handset down and picking it up again in  
3 three minutes?

4 MR. PFEIFFER: There is no expected physical  
5 or permanent damage, if you will, to the network based on  
6 an overload of demand. The way the -- the engineering of  
7 switches typically provides for -- there are two areas of  
8 congestion, if you will. The first is vying for dial tone  
9 as customers pick up the handset, which is something that's  
10 provided from the local end office. The local end office  
11 has an ability, an engineered ability to provide dial tone  
12 at some level which is well above the normal business day  
13 highs. To the degree that that's exceeded, people will  
14 have to wait longer than a typical two to three seconds to  
15 get dial tone. It might take five seconds or ten seconds  
16 as the ability of the machine to provide the dial tone  
17 slows down because of the high demand. The second area of  
18 possible congestion is once having placed the call, once  
19 having gotten dial tone, dialed digits and placed a call,  
20 is that there may not be available trunking available to  
21 reach the party that you're trying to reach, which is the  
22 second area of congestion; and again, based on the amount  
23 of engineered circuits that are available to meet or exceed  
24 business day demands, which is the typical engineering

1 criteria, you're gonna be able to put so many calls through  
2 and when the next call comes through it'll get a busy.

3 COMMISSIONER NUGENT: But there is nothing  
4 that will disable hardware or software by this?

5 MR. PFEIFFER: No. These type of capabilities  
6 are engineered into the equipment and into the network; and  
7 coincidentally, I might add, are also part of the normal  
8 monitoring that we do on the system on a continuous 24 by 7  
9 basis even without Y2K. So that for example if trunk  
10 circuits are taken off of the network because of a cable  
11 failure, or something like that, we have an ability to  
12 reroute and use less used circuits in a route that may not  
13 be as heavily used at that particular time.

14 MR. DINAN: And we're extraordinarily  
15 cognizant of those issues in the State of Maine as we've  
16 worked over the last year. So, it's not going to do  
17 anything to drive the network down. The network is still  
18 gonna operate. It's just a matter of how much congestion.  
19 That's why I really feel that letting customers know that  
20 they have to be a little bit more judicious is going to be  
21 helpful; and I also would echo the Chairman's comments that  
22 to some degree there are going to be these people who are  
23 going to sit on the Internet all day long watching the  
24 evolution from the Far East, and we'll have to take care of  
25 that. To some degree we've mitigated that impact by moving

1 a lot of our ISPs to the trunk side and that's going to be  
2 helpful to us here in the State of Maine.

3 COMMISSIONER NUGENT: I'd ask also the  
4 independent companies to comment on this if you have any;  
5 and the next question, and that is you're hearing a number  
6 of people -- you've already heard on the electric and gas  
7 side and you're gonna hear, I suspect, on the part of other  
8 important utilities, that they're relying heavily on tele-  
9 communications to support their own plans. If there is a  
10 disruption do you have any way to either protect them, give  
11 them a higher priority of protection or bring them back  
12 first?

13 MR. PFEIFFER: There is -- there pre-exists a  
14 normal restoration priority; and to the degree that police  
15 -- emergency 911-type circuits are clearly on the top of  
16 that priority list. To the degree that in the restoration  
17 process there is an ability to prioritize, obviously those  
18 people will be prioritized first.

19 COMMISSIONER NUGENT: But in that category of  
20 those people, you've identified 911 and police and fire.  
21 Does that go to people providing other important utility  
22 services?

23 MR. PFEIFFER: Power companies, for example.

24 COMMISSIONER NUGENT: So they will get some  
25 sort of --

1                   MR. PFEIFFER: I understand there was that  
2 level of cooperation, most recently in '98 also.

3                   MR. DINAN: In '98 and even when we're doing a  
4 switch conversion we follow the same kinds of protocols;  
5 and they've been very, very successful. So we're in direct  
6 communication. We have a series of alternative ways to  
7 communicate with -- and it's not just police/fire; it's  
8 health care institutions, hospitals, for example, as well  
9 as the electric companies, etc., and we have a whole series  
10 of protocols and priorities that we have ready for use if  
11 there's any problem. Our expectation is we won't need to  
12 do that, but we're ready to do that; and we will be manned.  
13 We will be manned. There will be no party for many people  
14 in Bell Atlantic. They will be manning -- their party will  
15 be in centers and other areas inside the State to make sure  
16 that we have sufficient forces throughout the State to  
17 respond to any needs as we go through this process.

18                  COMMISSIONER NUGENT: Does it include weather  
19 service or air traffic control centers?

20                  MR. DINAN: Air traffic control centers would  
21 be of a higher priority to me than weather service; but we  
22 certainly work with the weather service, but air traffic  
23 control would be an extraordinarily high priority.



1                   COMMISSIONER NUGENT: It seems that weather  
2                   may be less critical now. There are other times of the  
3                   year when tornado reporting is kind of useful. Thank you.

4                   MR. DINAN: Right, that's correct.

5                   MR. SUKASKAS: Thank you, Bell Atlantic. Next  
6                   we turn to Larry Sterrs, who will speak to us on behalf of  
7                   the Telephone Association of Maine and UniTel.

8                   MR. LARRY STERRS

9                   Good morning. Thank you, again, for the invitation.  
10                  I'm Larry Sterrs. I'm Vice President of Operations for  
11                  Unitel and I'm also here representing the Telephone  
12                  Association of Maine, which I represented in our last  
13                  meeting.

14                 I provided you some written material which is  
15                 basically an update from our last meeting, and I'm just  
16                 gonna highlight a couple of portions of that and allow  
17                 plenty of time for us to answer your questions.

18                 The Association, which is comprised of all the  
19                 independent phone companies and Bell Atlantic here in  
20                 Maine, has served really an education and information  
21                 sharing opportunity in this Y2K issue. The Association has  
22                 not been involved directly or indirectly in any of the  
23                 efforts of the companies individually in their remediation  
24                 and testing or any of those efforts. We've tried to focus  
25                 our energy on providing information and education in the

1 form of workshops, which I described last time I was here.  
2 We have had some positive benefit, I think, from the  
3 information exchange, particularly in the area of the  
4 contingency plan development where information was shared.  
5 I know my company derived some benefit from sharing  
6 information relative to the development of the plan and  
7 what kinds of things were being looked at.

8 TAM's efforts, I think, going forward are going to  
9 turn more towards what you all were just discussing a  
10 minute ago, customer education and notice, as we get closer  
11 to the deadline. My company has forwarded already, in  
12 September and we're running another one in November, a bill  
13 insert that we're calling Y2K Consumer Tips which addresses  
14 specific issues about usage of phone and Internet,  
15 addresses specific issues about when to call us and when  
16 not to, and also addresses -- reminding them about their  
17 own internal networks, particularly small business  
18 customers who have key systems that may or may not be  
19 compliant. Our experience, speaking as UniTel, not TAM,  
20 our experience is that we have had contact with some  
21 customers who have finally realized that they have a piece  
22 of equipment that doesn't work and wants us to fix it; and  
23 so far so good. Our particular notice, again UniTel's,  
24 we're sort of pushing the envelope a little bit on the  
25 usage and we're asking them to start curtailing their use

1 from 11 P.M. until 1 A.M., hoping, number one, that maybe  
2 some people will really do that; and secondly, that maybe  
3 it will drive the peak traffic that would occur around  
4 midnight back to 10 o'clock when we'll be standing there  
5 watching what happens and can see whether or not there's  
6 going to be any problem.

7 I'll come back to Commissioner Nugent's questions in a  
8 moment he wanted to address about Internet and priority  
9 restoration. I'll just finish up on TAM here. Basically,  
10 we're gonna continue what we've been doing. We're gonna  
11 focus on the education and providing information. We also  
12 have an excellent line of communication through -- with the  
13 Governor's Y2K Task Force, as our current President, Audrey  
14 Prior, is on the Task Force and has been providing the  
15 Association information about what kinds of information  
16 needs to be dispelled to the public; so I think that we'll  
17 continue to do that.

18 As far as our own efforts go at UniTel, we have  
19 completed most of -- most all of our remediation. We have  
20 some remediation efforts that are still under way and some  
21 non-mission critical modules of some systems. We're  
22 planning on having those done, obviously, by the end of the  
23 year. We're not anticipating any problems. We've done  
24 everything that we think is reasonable and expected of a  
25 public utility to meet the demand, and the requirements to

1       continue to provide excellent service to our customers  
2       through the transition and beyond. I think that's an  
3       important point to make, that particularly in the area of  
4       our contingency plans, I think that way beyond the first of  
5       January testing of systems will continue at least through  
6       April of the year 2000. After we make a successful roll  
7       over, we have other mission critical dates, if you will,  
8       that will occur in the following year that we would want to  
9       make sure our internal systems recognize. We do have a  
10      fair amount of date stamped data, particularly analytical  
11      data that we use regularly, and so that's going to be very  
12      important to us.

13           Our contingency plan which we have filed, and which I  
14      have our next generation to file here today, has been  
15      scrutinized internally and is really -- the major change  
16      here now goes more towards the identification of the  
17      individuals, people within the departments and how the  
18      departments will interact in the event of a potential  
19      failure; for example in the area of service order  
20      processing. For some people in our company that's a new  
21      experience. There are some people in the industry who are  
22      old enough to remember that's the way we used to do it.  
23      So, it's really not a matter of developing a plan; it's  
24      sort of remembering what we used to do, paper service  
25      orders and trouble tickets and the like.

1           One of the areas that we've been looking at, and we've  
2           had some discussion on, goes to the area in our monthly  
3           reporting relative to integration and system testing. And  
4           I'm not sure that we're all on the same page there. In  
5           fact, I'm sure that I'm not in terms of what all that  
6           means. Because the way we're looking at integration and  
7           system testing is more in the traditional form of  
8           integration and system testing like we might do on a switch  
9           conversion, for example, where we'll have very specific  
10          testing with connecting companies, like AT&T and Bell  
11          Atlantic, prior to converting a switch. In essence do it  
12          and then go back and then actually convert it. In the case  
13          of Y2K we're not doing that, obviously, and so our  
14          integration and system testing really is more internal  
15          system testing and relying on the representations of our  
16          vendors and colleagues in terms of how the network will  
17          continue to be connected. So, when you see relatively low  
18          completions on our integration and system testing in the  
19          case of my company, I don't want to raise any undue concern  
20          that we're not doing that. It's just that we're not doing  
21          what I would call traditional system testing, and those  
22          numbers could as easily be 100% as what they are.

23          I think I've covered everything that I wanted to. Joe  
24          gave me an opportunity to also talk about whether or not  
25          there are any particular tips that we wanted to get to the

1 public, and I think I've covered the main ones relative to  
2 staying off the phone; and relative to the questions  
3 earlier about the Internet, we have people who are on the  
4 Internet all day every day right now just as recreation. I  
5 have no reason to expect that they won't be when they  
6 actually have something particular to look at. Clearly,  
7 that's going to be an issue. I do not know -- as the  
8 previous speaker said, I think that the Internet itself in  
9 terms of its hardware and software will be able to  
10 accommodate that. The issue will be whether or not the  
11 customer will be able to get to that hardware and software,  
12 and that's where I think that we're likely thrown into some  
13 traffic jams, if you will. Customers receiving busy  
14 signals and drawing the wrong conclusion, that's my biggest  
15 concern, if they just think there's something wrong and  
16 then initiate a series of events that really complicate  
17 matters, continue to call other people, call our service  
18 center, those kinds of things. We do have the benefit of a  
19 weekend to sort of clean up, if you will, before we open  
20 for business on Monday after the conversion and I'm hopeful  
21 that anything that comes up, particularly as it relates to  
22 (indiscernible word) customers, will be remediated during  
23 that time.

24 Priority of restoration. Our own contingency plan  
25 contains I think 149 -- a list of 149 priority restorations

1 we've identified within our service territory. That  
2 restoration list not only includes specific people, doctors  
3 or emergency service providers that we want to restore, but  
4 also includes people that we would want to get a hold of in  
5 the event of an emergency, like Bell Atlantic or any of the  
6 other vendors that we particularly depend upon, like our  
7 switch vendor for example. So, we have that list and that  
8 list is in our contingency plan and we'll continue to  
9 revise and update that list right up to and through the  
10 first of the year.

11 COMMISSIONER NUGENT: Does it include public  
12 utilities?

13 MR. STERRS: Not yet. It's basically the  
14 power -- as far as the operation of the company goes, it's  
15 basically the power companies, our switch vendor, a couple  
16 of the IXEs, Bell Atlantic, those people that we would  
17 depend on to contact if something went wrong.

18 COMMISSIONER NUGENT: It seems to me local  
19 water companies may be dependent on what you've done and  
20 would probably appreciate early attention.

21 MR. STERRS: Yes, you're right. That's a good  
22 point. I don't know for sure if we have the water company  
23 on there. I know the power company's on there, but we'll  
24 check to see (indiscernible).

1                   MR. SUKASKAS: Larry, a few months back some  
2 TAM members advised us that they couldn't complete some of  
3 the Y2K testing that they wished because there was some  
4 upstream -- they wanted to wait for some upstream issues to  
5 be completed. I believe in some cases that was testing by  
6 Bell Atlantic. Are all those issues behind us now or are  
7 there still obstacles to be overcome? Are some members of  
8 your organization still waiting for other people to finish  
9 testing so they can start?

10                  MR. STERRS: Joe, I'm not aware that there's  
11 anyone who is waiting for anyone to finish as it relates to  
12 the overall operation of the network. I do believe there  
13 are some members who are still waiting on some activity or  
14 confirmation of activity from our vendors; but as it  
15 relates to the overall network and what you've described in  
16 terms of working with Bell Atlantic, I don't think there's  
17 anything that anybody's waiting for. The opportunity to  
18 find out what's going on through the national Web sites and  
19 contact with the other companies is there and has been  
20 there and will continue to be there. So I don't think any-  
21 body's waiting for anything in that sense. But again,  
22 there may be some people who are waiting for their vendors  
23 for a particular piece of gear or a particular piece of  
24 equipment to either -- it could be as simple as just ship  
25 it and install it or it could be we're still finishing our



1 remediation and testing on software, or something like  
2 that.

3 MR. SUKASKAS: Do you think there's some role  
4 for us that might facilitate that information exchange?

5 MR. STERRS: None leaps to mind, but there may  
6 be some particular situations out there where our  
7 membership may require your assistance, and I don't think  
8 that any one of our membership is unaware that that  
9 assistance is there. It might be a good point to remind  
10 them that it's there if they feel they need some help, if  
11 they have a bad actor in the process or something like  
12 that, and we can certainly remind them of that at our Board  
13 meeting tomorrow. But I'm not aware of anything at this  
14 point.

15 COMMISSIONER NUGENT: (indiscernible) other  
16 TAM members?

17 MR. SUKASKAS: Yes. Northland and Sidney Tel  
18 are represented this morning by Walt Levesque.

19 MR. WALTER LEVESQUE

20 I'm Walter Levesque from Northland Telephone. We  
21 serve approximately 21,000 customers in the State of Maine.  
22 Our story is much like that of the others in the industry.  
23 We began our compliance process in 1998 with a heavy  
24 concentration on switch vendors and others who provide  
25 mission critical network components for our operation. We

1       also determine compliance for those vendors who provide us  
2       support services.

3               Again, like most others in the industry, we have not  
4       done live tests on our switches. That test would be --  
5       have the potential to be as fatal as the Y2K phenomenon  
6       itself. Northland's major equipment vendors are the same  
7       ones who provide switching and transmission around the  
8       globe. We are very confident that their testing within  
9       their labs and their factors is more than satisfactory. As  
10      we've reported to the Commission, Northland feels it's 100%  
11      compliant.

12             In regards to contingency, in late 1998 and early 1999  
13      we began to develop our contingency plans. We developed  
14      our Y2K plan around our emergency restoration guideline  
15      that we already had in effect. We realized the Y2K  
16      failures that could be created during this situation. The  
17      only -- unlike other emergencies we felt, though, was we  
18      knew when this one was going to hit. The ice storm and the  
19      other ones that we had, we were really taken awares.  
20      Northland has also provided a copy of that Y2K contingency  
21      plan to the Commission.

22             All departments within the Company took an active part  
23      in this development and each department has plans to  
24      address their specific needs and issues. Northland's going  
25      to concentrate around -- primary focus will be in four

1 areas: call processing, data delivery, maintenance and  
2 repair of existing services, ordering and provisioning of  
3 new services as we go into the new year, and of course  
4 billing.

5 Northland has four major service areas in the State of  
6 Maine. We'll be manning these areas on Y2K night with  
7 management as well as technical people. I'll be at our  
8 command center in South China along with other management  
9 people monitoring our progress. We'll be doing call matrix  
10 testing to all of our switches to process both incoming and  
11 outgoing calls for all different call types. We'll ensure  
12 our community's emergency service communications are  
13 functioning and we'll contact some of our large customers  
14 who possibly will have employees on their site testing  
15 their own Y2K issues. Do we have a 100% completed  
16 contingency plan? I would hesitate to say that. I'd say  
17 98 or 99%. We meet biweekly and continually finding little  
18 things that we can tune up on our contingency plan. We  
19 fully intend to finish our testing and go home sometime  
20 early the next morning after Y2K night and celebrate the  
21 New Year.

22 I can answer any questions.

23 COMMISSIONER NUGENT: Not unless your answer  
24 to the two questions I asked are any different.

1                   MR. LEVESQUE: The Internet, most of our  
2 Internet providers in our territories are fairly small  
3 Internet providers and most of them will have their own  
4 internal chokes. They only have so many modems and  
5 services available. So there'll be a choke there. I fully  
6 intend, though, that every one of them will be up and  
7 monitoring the Internet. There's no doubt in my mind that  
8 people will be cruising the Internet quite fully that  
9 night.

10               Restoration priority, we have a restoration priority  
11 in each different location. It's a manual process, though.  
12 There's not an automated process that automatically gives  
13 the hospital first service. It's something we have to do  
14 at the switch site. We have considered that and have a  
15 priority list.

16               COMMISSIONER NUGENT: Let me just pose that  
17 question more generally to the remaining people. You all  
18 don't have to address it. All I want to know is if you  
19 don't have a priority list and if your list is -- if you do  
20 have a priority list, if your list doesn't include  
21 utilities do you intend to put them on there?  
22 (indiscernible) the appropriate level of priority.

23               MR. LEVESQUE: We do now.

24               COMMISSIONER NUGENT: We don't have to keep  
25 going over and over it. This is not a teaching thing. I

1     just want to make sure it's on your check lists. Thank  
2     you.

3                   MR. SUKASKAS: TDS Telecom operates its local  
4     exchange carriers in Maine and Jonny Buroker is -- he wins  
5     the award, having come in today from Wisconsin to talk to  
6     us about those companies.

7                   MR. JONNY BUROKER

8           Thank you. I've provided a few handouts for you folks  
9     to follow along while I provide an update or status report  
10    on TDS Telecom's Y2K progress. We were not represented, I  
11    don't believe, back at the May 19<sup>th</sup> report, so I want to  
12    provide a little bit more background than maybe some of the  
13    others that were just providing an update.

14           My official title is Director of Business Improvement  
15    at TDS Telecom; but for the last 16 months I've had the  
16    wonderful opportunity to be the Y2K team leader.

17           I don't want to give the impression that we only  
18    started working on it 16 months ago. We actually started  
19    back in 1996. We have very large Legacy main frame systems  
20    that needed to be updated and upgraded, and our CIO at the  
21    time realized that with the coming Y2K that programmers  
22    were gonna be becoming a premium and he had the  
23    farsightedness to be able to recognize that we needed to  
24    get a number of programmers hired now, back in '96, and to  
25    get that work done.

1           Moving on to page 2 of your handout, what I want to  
2   cover just briefly today is a little bit about TDS Telecom.  
3   I think we have some challenges -- well, similar to  
4   everybody else, but I think we have some other ones just  
5   due to our large geographical dispersion. I'll provide you  
6   an update on the overall status report, just a few tidbits  
7   about assessment remediation testing and implementation and  
8   then contingency, and I'll address the questions that have  
9   been posed to this group.

10           TDS Telecom is a mid sized holding company. Our  
11   parent is TDS, Inc., an AMEX traded company. We have local  
12   presence, obviously, in the communities we serve. We have  
13   over 100 offices in 28 states spread from Maine to  
14   California and half the states in between. We have, as you  
15   mentioned, six locations here Maine. We're headquartered  
16   in Madison, Wisconsin, which is where I'm from, and from  
17   Madison we provide nationwide support for many areas,  
18   including billing, finance and accounting, our 24 by 7  
19   network monitoring operation and of course our Y2K project.

20           Overall status, TDS Telecom reported that we were Y2K  
21   ready as of 9/30/99. We sent a letter to each one of the  
22   State Commissions at that time and we also posted it on our  
23   Internet site, TDSTelecom.com, as well as for any customer  
24   or vendor making inquiries of our Company, our response

1 indicates that we are Y2K ready as well as some of the  
2 other accomplishments we've made.

3 Our fourth quarter -- the bulk of the activity during  
4 the fourth quarter has been finalizing our contingency  
5 plans, and I'll touch on contingency plans later in my  
6 comments.

7 On the assessment side, assessment has been complete  
8 for critical items and we're continuing to do follow up  
9 with vendors and suppliers to ensure that their status  
10 doesn't change. Again, given over a hundred offices, we  
11 had over 1,500 vendors that we identified as critical to  
12 our local operations; network software, HVAC, 911,  
13 utilities, etc. We had over 6,300 elements and  
14 applications that we had to assess, well over 100 switches,  
15 over 3,500 network elements. So you can see being a large  
16 geographic organization with each of the small local  
17 telephone companies, we needed a centralized planning and  
18 project status to be able to manage all of those different  
19 companies.

20 On the remediation side, many of our switches required  
21 upgrades; 23 of those, as I mentioned earlier, we had  
22 substantial programming that was required on our Legacy IT  
23 systems, and again we started that in '96. We still have a  
24 full-time team that's dedicated to -- now that they've  
25 completed remediation, they're on like their fourth end-to-

1 end system test; and we had several third party IT systems  
2 that required upgrades. All the switch upgrades and system  
3 upgrades have been completed for our mission critical  
4 items. We, too, had an IT and network freeze that went  
5 into place October 1<sup>st</sup>, so that we didn't introduce any  
6 potential flaws or errors into the system during the last  
7 quarter.

8 On the testing, I think I echo a lot of the groups  
9 here where we weren't able to roll our switches forward  
10 while they're in production, obviously for the risk that  
11 that would mean to the public switch network. So we, too,  
12 are relying on organizations and industry groups, like ATIS  
13 and TelCo Forum 2000. So, we are performing internal tests  
14 and IT tests where possible, but we also are relying on  
15 some of the industry groups and national vendors.

16 On implementation, again all of the remediated network  
17 elements and IT systems have been implemented. Our  
18 switches were complete as of July 31<sup>st</sup>, and I believe  
19 billing was during the month of August; and now we are in  
20 the process of rolling out our contingency plans.

21 On the contingency planning side, over the years,  
22 because we are in 28 different states, we've had  
23 opportunities, fortunately or unfortunately, to respond to  
24 many emergencies, the Mississippi floods of just a few  
25 years ago, some fires in California this year, Hurricane



1     Hugo, the ice storm, obviously, here in Maine a couple of  
2     years ago. So we do have written emergency response plans,  
3     mostly for the network and network restoration side. Now,  
4     we've encapsulated that within our total TDS Telecom Y2K  
5     emergency response plan contingency plans. We also  
6     conducted a rehearsal on 9/9. Not so much that we were  
7     worried about what could happen to our systems; more so so  
8     that we could test our actual contingency plans; did people  
9     know where they were supposed to go, the check list they  
10    were supposed to complete, who they were supposed to  
11    contact after they got the items done. So, it was mostly  
12    to perform the activities on the multi-page check list,  
13    which is included in the contingency plan that I provided  
14    to Joe earlier this week.

15         We're further developing our communication plans, both  
16    external and internal. We've had the bill inserts. We've  
17    had notices in the newspapers not to use the phones at the  
18    end of the year. We have proactively contacted the over  
19    300 911 -- E-911 providers in our service territories and  
20    our response rate hasn't been that great yet. So, we're  
21    now calling each and every one of them to find out if they  
22    are gonna be ready and if they're not, working with the  
23    local emergency services or sheriff's departments such that  
24    if for some reason the 911 equipment fails and they can't  
25    automatically answer that and get name and address and

1       such, that at least we can reroute that call within the  
2       switch, let's say, to the sheriff's department. So, we're  
3       working with each one of our 911 providers in order to make  
4       that happen.

5                   COMMISSIONER DIAMOND: How would that  
6       actually work if the call -- you'd be able to detect if the  
7       call doesn't go through properly to the 911?

8                   MR. BUROKER: Well, as part of our contingency  
9       plan, on our check list one of the steps in the check list  
10      is to call each of the 911 providers to ensure that that  
11      call can go through, and just to make sure -- verify that  
12      the person on the other end, if it's an E-911, that they  
13      have your name and address that shows up. If for some  
14      reason the PSAP equipment does not work properly and that's  
15      the message that we get from the E-911 provider, we can  
16      intercept calls going to 911 within the switch and redirect  
17      those to the appropriate authorities, whether it's the  
18      sheriff's department or some other facility. So we're  
19      doing that here over the next six weeks; determining what  
20      is that number that you want us to forward those calls to  
21      should there be a problem with your answering equipment.

22                  MR. SUKASKAS: You're talking about the E-911  
23      system, Enhanced 911 system, not the basic systems, is that  
24      correct?

1                   MR. BUROKER: Essentially, the E-911 systems,  
2     but if for whatever reason the people that are answering  
3     the 911 calls, for whatever reason the communication  
4     equipment in that location didn't work and those calls  
5     couldn't be completed, then we'd like to have a number to  
6     reroute those calls to.

7                   COMMISSIONER NUGENT: And you'll automatically  
8     pick that up. That won't be something that they'll have to  
9     call you and say gee, we're not getting any --

10                  MR. BUROKER: Again, we need to make sure --  
11     we have to close the loop on the communication. Can we  
12     contact you, are you receiving the information from us? If  
13     we can't close that loop, then the contingency is to  
14     forward those numbers to another number; and most of our  
15     communities are small enough that we can physically go  
16     check and make sure that they are able to answer.

17                  CHAIRMAN WELCH: It's supposed to be something  
18     that actually happened after midnight, you'd call them  
19     after midnight and see if they're getting it, and if  
20     they're not getting it you'd reroute.

21                  MR. BUROKER: Yeah, hopefully it would happen  
22     within the first 10 to 15 minutes after the change over.

23                  COMMISSIONER DIAMOND: I'm (indiscernible)  
24     anticipated question I have, and I would welcome other  
25     people addressing it after you're finished. The Chairman

1 of the President's Task Force said in a speech recently,  
2 and he wasn't referring to Maine in particular, he was  
3 referring nationally, that they had -- I think their major  
4 area of concern is local 911 equipment and whether it's  
5 working and they've not been able, just as you've had some  
6 difficulties, they have not been able to really monitor  
7 that and get very good feedback. I commend you, frankly,  
8 for the fact that you're proactively reaching out to making  
9 sure that if that equipment's not working properly that  
10 there'll be some alternative. I would be curious as to  
11 whether the other companies, after your presentation is  
12 finished, are doing the same, 'cause that seems to me to be  
13 one of the most critical aspects of the whole  
14 communications infrastructure that we're dealing with.

15 MR. BUROKER: It's certainly an area that  
16 we're worried about. It's certainly an area our customers  
17 are worried about is whether they are able to complete a  
18 911-type call.

19 I think my final point, before addressing an earlier  
20 question, was again our contingency plans -- completed  
21 contingency plans with contact lists, contact lists of  
22 utilities, commissions, key customers. I don't think I  
23 included the key customers in yours for obvious competitive  
24 reasons. Employees, the hours that they're supposed to be  
25 working, are all included in our contingency plan, as well

1 as our multiple page check list of the steps and functions  
2 that we're supposed to be accomplishing before, during and  
3 after the roll over.

4 Then on the priority restoration, yes we do have those  
5 lists in there as well. We identified our critical  
6 restoration customers and vendors.

7 Any questions?

8 COMMISSIONER DIAMOND: I don't have any for  
9 you, but I would say that any who have already spoken or  
10 about to speak, I'd be curious as to what their plans are  
11 on the 911 issue, whether that is something that they're  
12 addressing in terms of the capability of the local  
13 emergency response centers to handle those calls after Y2K.  
14 Is that something that Bell Atlantic is dealing with?

15 MR. PFEIFFER: Yes. Let me just -- you raised  
16 John (indiscernible last name) recent report. The numbers  
17 were taken off of a survey that NENA, National Emergency  
18 Numbers Association, had done. It was a survey that they  
19 had done on their Web site and had gotten responses from  
20 about 50% of the PSAPs that are -- E-911 PSAPs that are out  
21 there. The concern was whether the PSAPs themselves had  
22 been properly remediated to be Y2K compliant. In the case  
23 of 911 situations, which is essentially much more of just  
24 strictly a terminal equipment type of a situation, that  
25 situation doesn't really arise unless there are other

1     electronics that are attached to the 911 call answering  
2     capability. In those cases where Bell Atlantic provides,  
3     which is about 2/3 or 3/4 of the PSAPs that are in our  
4     service territory, we have had multiple contact letters,  
5     generally return receipt type letters, asking them whether  
6     in fact they have done the remediation for those that we do  
7     not maintain. For those we do maintain, obviously we have  
8     done whatever upgrades are required to make them E-911  
9     compatible, and that in fact has taken place. There is --  
10    at the present time I'm aware of only one PSAP within our  
11    service territory, and that's Nassau County, New York, that  
12    is not 911 compliant and that's because we didn't wind up  
13    getting the contract for that until well after July. So,  
14    we're trying to make sure that that's done and in place in  
15    time.

16           Here in the State of Maine I'm not aware that there  
17    are any problems.

18                   MR. DINAN: Remember, these people were on our  
19    priority list in the first place. Basically, you're not  
20    doing PSAPs up here because we aren't at E-911 and the  
21    contact people for 911 in many, many cases are exactly the  
22    same people who are on our list to make sure that we're in  
23    conformance and communication and we will be contacting  
24    each one of those, anyway. As you recall probably we're --  
25    we'll change as we go to PSAPs, but clearly we will have

1 PSAPs that are Y2K compatible; but that's not an issue here  
2 for the State of Maine. That's on our list. I'll  
3 certainly go back and make sure that it's all taken care  
4 of; but I have no concern at this point in time because  
5 it's my understanding all those sites are being cared for  
6 as we go through our processing in that period of time.

7 COMMISSIONER NUGENT: Do you plan to be  
8 calling people after midnight to ensure that --

9 MR. DINAN: We're gonna be in direct  
10 communication with people during that period of time  
11 because it's just like when we do a conversion. We aren't  
12 going to just sit back and -- we're gonna be not only  
13 talking to people here at the State, the emergency  
14 preparedness people, but we'll be talking to some of the --  
15 we have a list of people that we want to make sure that we  
16 have contact, just like when we do a conversion. We want  
17 to make sure 10, 15 minutes after that you've got the  
18 capability for hospitals, you've got the capability -- the  
19 same thing when we do a conversion. We want to have that  
20 same kind of mechanism. It sounds complex, but it really  
21 isn't. It's something that we normally do. We have a  
22 whole series of numbers and we're gonna be doing that. You  
23 want the critical functions in the State to be  
24 communicating and that will occur.

25 COMMISSIONER NUGENT: We want the same thing.

1                   COMMISSIONER DIAMOND: So you basically  
2 proactively make sure that it's working; not wait --

3                   MR. DINAN: And if you go and sit down when we  
4 do a conversion on a switch, you'll watch that 99% of the  
5 time that we're -- besides people working on switch  
6 conversion, all we're doing is talking to police  
7 departments, we're talking to hospitals, we're talking to  
8 the critical functions that are important to the viability  
9 and health and safety of the people in the State, and  
10 that's what our focus will be.

11                  COMMISSIONER DIAMOND: Good.

12                  MR. STERRS: For my Company, and I think  
13 probably most of TAM members, it's basically what he said.  
14 We do proactively make those calls, much like a central  
15 office switch conversion where we establish a call path and  
16 a return call, we make sure it still works. There is a  
17 priority list of calls that we'll make at that time, at  
18 midnight, and subsequent intervals beyond that. Emergency  
19 services -- in reference to 911, again we don't have any  
20 PSAPs, but what we have is we have emergency services that  
21 are contacted either by a constituent dialing 911 or an  
22 actual 7-digit number in which we do a translation. We'll  
23 be testing on both of those dialing methods to that  
24 individual emergency response, be it a local response  
25 center or a fire department or whatever they've designated



1 to us as the destination for that call. So, we'll be doing  
2 the same thing.

3 COMMISSIONER NUGENT: Before we leave TDS,  
4 Mr. Buroker, you have some islands -- customers on islands  
5 in Maine. Do you anticipate any special problems there;  
6 and are they at least on your check list to make sure that  
7 their services doesn't degrade?

8 MR. BUROKER: They are on our check list. I  
9 believe it's the microwave transmitter from (indiscernible  
10 name) has been identified as Y2K compliant. So we're not  
11 anticipating any problems there. We will have someone  
12 that's actually out on the island that will give us a  
13 report, thumbs up or thumbs down, as to how things are  
14 going just after the roll over; and we would take any  
15 emergency response plans and put them into place at that  
16 time if there is a problem.

17 MR. SUKASKAS: Turn to Tidewater and  
18 Lincolnville, Walter Crites.

19 MR. WALTER CRITES

20 Good morning. Thank you, Joe. As Joe said, I'm  
21 Walter Crites. I'm the Controller for Tidewater and  
22 Lincolnville Telephone Companies. We serve approximately  
23 12,000 customers up in the Mid Coast region. I have with  
24 me Phil Blomquist, who will speak more towards our  
25 contingency planning aspects. Where we didn't speak at the

1 first meeting, I thought I'd bring you up to speed as to  
2 what we've done and where we are in our process.

3 We started out with meetings of senior management back  
4 in the early part of the year to address the Y2K issue and  
5 the stages that we had to go through to complete our  
6 remediation and testing for the millennium. We are 99%  
7 done with our remediation. Our meetings have been  
8 escalated now to weekly to make sure we're on top of  
9 everything and haven't dropped the ball on anything; and  
10 I'm happy to report the meetings are getting shorter rather  
11 than longer. We have brought in key personnel from all  
12 areas of the operations, from back office to outside plant,  
13 call completion, to address their specific areas of focus;  
14 and they themselves have their own contingency plans, which  
15 we have filed with the Commission.

16 As far as the back office processes go, which is  
17 really my area of expertise, Phil will speak to the outside  
18 plant, we have got processes in place. Fortunately, the  
19 non-electronic nature of Lincolnville Telephone Company has  
20 allowed us to be probably one of the fully Y2K compliant  
21 companies in the State; whereas most of the records are  
22 done on paper, are able to mirror their systems and copy  
23 them in the event we have some sort of a back office  
24 failure both in our plant records and in our customer  
25 records and trouble reporting.

1           Looking forward, we intend to be fully staffed on the  
2   year end, both in all our critical offices and in our  
3   business office as a command center, and I guess with that  
4   I'll turn it over to Phil and he'll bring you up to date on  
5   our contingency planning.

6                           MR. PHIL BLOMQUIST

7           The contingency plan that we filed with the Commission  
8   on June 30<sup>th</sup> is pretty much in tact. It's been updated  
9   minutely. We've met beginning monthly on that to work with  
10   action plans from each one of the departments; moved that  
11   down to biweekly back in September and have now just next  
12   week it starts on a weekly basis through the end of the  
13   year.

14          Our activity for the end of the year will be switch  
15   backups, critical system backups, starting on the 29<sup>th</sup> and  
16   30<sup>th</sup> so that all data is backed up and stored off-site  
17   before the millennium. We have staffing plans for the  
18   millennium. Nobleboro will be our hub where management and  
19   personnel will be located for all communications from  
20   critical switches. The last remediation on the network was  
21   done yesterday, the cognitronics (sic) units which provides  
22   referral on number service was upgraded and that was the  
23   last piece that we had to do in the network pieces. The  
24   other 1% that Walter spoke of is individual desktop  
25   application software and as someone else alluded to this

1 morning, as soon as you do a patch and the vendor says it's  
2 ready, you do it and a few days later or a few weeks later  
3 you get another one, do this, so we made the decision we'll  
4 wait until the first week in December and bring PROCOM and  
5 a couple other software packages up to the patch level at  
6 that time, hoping that we will only have to do it one more  
7 time before the end of the year.

8 Questions on network congestion, we have the same  
9 concerns everyone else has had. We have done a mailer to  
10 the customers explaining the potential if everybody uses  
11 the telephone at midnight, asking them to defer their  
12 calls, delay them or make them earlier. We'll do another  
13 one of those on our December 19<sup>th</sup> billing.

14 Priority restoration, we have developed a list of  
15 customers and business customers and utilities, police  
16 departments, fire departments, that require that, down to  
17 the point of the customer has notified us that they have an  
18 emergency need for telephone communications. They have  
19 been plotted on a map by switch and by line equipment as to  
20 where they are and what they're to do, and therein the  
21 priority restorations.

22 911, we have three different locations that answer 911  
23 for us. Lincoln County handles the basic five group  
24 exchanges for Tidewater. We met with Lincoln County's  
25 emergency preparedness group. They have a mobile unit

1     which should the network fail they can pull that into our  
2     switch in Damariscotta, (indiscernible) plug into our  
3     switch and answer the 911 calls locally there. We have  
4     tested that as of yesterday. It has been tested before and  
5     it was tested again yesterday and it worked fine. We'll  
6     make those calls on New Year's Eve to make sure that we can  
7     contact them.

8             The Union exchange is answered by the State Police in  
9     Augusta. We are meeting with the local fire department on  
10    the 29<sup>th</sup> of this month to set up how they want those calls  
11    to be routed should the network fail, and we will do that.

12            The Lincolnville group is answered by Camden, and Hope  
13    and Lincolnville both answered by Camden, and we're meeting  
14    with that group to decide how they want those calls to be  
15    routed should a network failure occur.

16            So, we're not expecting any unanticipated issues with  
17    911 -- we're not expecting any issues with 911, but I think  
18    we've covered the contingency should that happen.

19            We're moving forward. We should be right on schedule.  
20    We'll continue to meet up and through New Year's to work  
21    the contingency plan.

22                   MR. SUKASKAS: Okay, thank you. Let's wrap up  
23    telecom with Doug Edwards from Pine Tree Tel & Tel.

24                               MR. DOUG EDWARDS

1           Thank you. Doug Edwards. I'm the plant manager at  
2   Pine Tree Tel and also the Y2K compliance manager. At this  
3   point, Pine Tree is now 100% compliant. We have three  
4   switches that we operate in the communities of Gray, which  
5   includes West Gray, and also the community of New  
6   Gloucester. Those are, and have been for some time, on a  
7   Y2K compliant generic and we'll be doing another upgrade by  
8   December 15<sup>th</sup>, so even further into that. Other network  
9   pieces, SONET and point-to-point fiber MUXs, we're  
10   compliant. They're fairly new. We had one NorTel point-  
11   to-point fiber MUX. That was upgraded almost 6 months ago,  
12   so we're in good shape with that. We do plan on staffing  
13   the central office and repair numbers starting probably at  
14   10 o'clock on New Year's Eve until 6 o'clock the next  
15   morning.

16           Pine Tree in its area is really totally dependent on  
17   two things; power from CMP and network connections from  
18   Bell Atlantic. The thing that we do have a little control  
19   over is on the power side. All of our standby generators  
20   have been reviewed. There's no electronics, really, in any  
21   of them, so there's no issue there with Y2K compliance.  
22   The major issue there was fuel supply and we've identified  
23   a vendor that can supply us with fuel for those generators  
24   in the absence of AC power at the fuel depot, which worked  
25   out.

1           Subscriber management, which is, as Walter described,  
2           back office, which would be provisioning, repair services,  
3           dispatch and trouble tracking at Pine Tree is all done with  
4           pencil and paper. So, we have no Y2K issues with that at  
5           all. We can continue those services in the complete  
6           absence of power or computers.

7           The only I guess real contingency item that we've  
8           looked at is supply change interruption. We want to be  
9           sure that if the people that we buy drop wire or protectors  
10          or NIDs from had a problem with deliveries in early January  
11          that that wouldn't be service effecting to our people, and  
12          we have just upped the inventory levels to accommodate  
13          that.

14          There were some specific questions regarding  
15          priorities, Internet and 911. We have a priority list  
16          system that's in place in our repair service bureau today  
17          that would be followed. My opinion is that a Y2K failure,  
18          that priority list is not something that's gonna be brought  
19          out because I believe that if there's a major network or  
20          switch failure, it's just simply going to affect everybody.  
21          It's not like a cable failure where I can strive to  
22          reconnect the State Police barracks before the single  
23          family seasonal residence down the road. If somebody  
24          doesn't have dial tone, nobody has dial tone. If the SONET  
25          ring connection to Bell Atlantic fails, that's going to

1     affect everybody, and there won't be individual customers  
2     that I will be able to restore within those systems. And  
3     when the system comes back up, it'll be available to  
4     everyone.

5             Internet. Internet certainly affects our traffic, as  
6     it does everyone. Maybe to a greater extent because we  
7     have no ISP POPs at any of our locations. So all of our  
8     Internet traffic winds up on interoffice facilities to Bell  
9     Atlantic and off to another independent or POP at a Bell  
10    Atlantic location. So, Internet usage for us eats trunk  
11    capacity. Today we jointly, Bell Atlantic and Pine Tree,  
12    monitor blocking in those trunks and we keep them at very  
13    low levels; but as everyone else has spoke of, if we have a  
14    high percentage of users that want to get on at midnight,  
15    that's going to eat our interoffice capacity and it's going  
16    to affect someone else that wants to potentially make a  
17    voice call.

18            The 911 facilities, our communities -- we handle --  
19    the way we handle 911 is it simply is translated to a  
20    7-digit number that gets answered at one of the two  
21    Gray/New Gloucester dispatch locations. The good news  
22    about that is we don't need our interoffice facility or  
23    connections to Bell Atlantic to be -- to have capacity  
24    available in them to handle a 911 call. Same thing,  
25    someone within our community is dialing the State Police



1 barracks in Gray would have an issue because that'll be  
2 within our network, which won't be blocked. We have a  
3 relatively small number of subscribers that live in an area  
4 that use an adjoining fire department where we would have  
5 to route those calls through Bell Atlantic facilities; and  
6 if those facilities were totally blocked with Internet and  
7 voice traffic, there are potential delays for those calls.

8 I believe I've covered all the items that you've asked  
9 about. I'd be happy to answer any questions you have.

10 MR. SUKASKAS: Have you been in regular  
11 communication with the State Police that has major  
12 facilities in your service area?

13 MR. EDWARDS: Well, we see them often. We  
14 haven't had a joint Y2K meeting. State Police is a  
15 customer to Pine Tree Telephone. We provide a T-1 pipe and  
16 some number of analog trunks and we -- which is terminated  
17 at a passive interface within their building. So, we have  
18 no premises, customer premises equipment for them. Our  
19 responsibility is to keep the facility whole and delivered  
20 to their protection -- their point of interface. Beyond  
21 that, they're premises equipment vendors.

22 COMMISSIONER NUGENT: I have no further  
23 question of this witness. I do have a, I suppose, redirect  
24 to Mr. Pfeiffer. You referred to a clean management system  
25 and software network stabilization period. Is the latter

1 kind of a quiet period where you're saying we've got a lot  
2 of other things on our mind, let's not do non-essential  
3 patches and fixes and so on?

4 MR. PFEIFFER: Essentially. It is a quieter  
5 period. A company the size of Bell Atlantic with many of  
6 the programs that we're trying to implement, it's very  
7 difficult to shut any changes down, but we're trying to  
8 make it as minimal as possible.

9 COMMISSIONER NUGENT: Like changes for the  
10 collection of an E-911 surcharge. Is that likely to be in  
11 the middle of this?

12 MR. PFEIFFER: Whatever you guys --

13 COMMISSIONER NUGENT: Well, there's no  
14 authorization to collect it right now. But anyway, clean  
15 management system suggests -- what does it mean?

16 MR. PFEIFFER: It's essentially making sure  
17 that any -- that we are assured, through our own testing or  
18 through working with the vendor or a third party, to make  
19 sure that any new software that might be applied to an  
20 existing application is itself Y2K compliant and will not  
21 in fact wind up making the application that it's applied to  
22 non-Y2K compliant. We in fact had a situation where we  
23 almost wound up taking a manufacturer's newer generic,  
24 which they supplied for a piece of equipment, none of which  
25 as it turns out are here in Maine; they're actually in one

1 of the Southern states, wound up basically providing non-  
2 Y2K compliance which turned up during the testing that we  
3 were doing as part of the clean management system. So, the  
4 process does work and we have caught one or two of these  
5 situations where we got trust us, it's okay, from the  
6 vendor and through third party or independent testing found  
7 out that there were in fact some issues we needed to deal  
8 with.

9 COMMISSIONER NUGENT: I have no more for the  
10 telecommunications panel. But in the spirit of redirect,  
11 Mr. Record and Mr. Griffin, at CMP does your list for  
12 restoration of service given any special attention to other  
13 essential utilities?

14 MR. RECORD: We have a standard restoration  
15 priority list that deals with public safety issues. I  
16 think that's at the top of the list. If we have lines that  
17 are damaged and potentially a threat, that's addressed  
18 first. I'm trying to recall here from memory the critical  
19 infrastructure services, fire, police, public safety, those  
20 issues would be addressed; and then of course we have to go  
21 basically to substations out 3-phase, 2-phase, 1-phase and  
22 you have to have the system energized, obviously, before  
23 you can bring up customers. We're looking at this as  
24 standard priority. The restoration priorities that exist

1       today are the ones that we would use in the event that we  
2       need to roll those out.

3                   COMMISSIONER NUGENT: Does that include other  
4       utilities, telephone company, water company?

5                   MR. RECORD: I believe that it does. I'm not  
6       absolutely certain of that. It's certainly something that  
7       we can check, yes.

8               We had the question from Bell Atlantic, I think it was  
9       Bell Atlantic, they sent us a list of about I'm gonna guess  
10      120, 150 specific locations that we service and asked us to  
11      tell them what the priority was in restoring that. That's  
12      a very difficult question to answer because you don't know  
13      what outage situation you're talking about. We need to  
14      know what the specifics are. Any restoration, again, is  
15      gonna be in the context of public safety first, life  
16      support, community service facilities, and then you have to  
17      obey the laws of physics and basically work 3-phase, 2-  
18      phase, 1-phase down through your distribution system. I  
19      will go back and I will ask that question specifically.

20                  COMMISSIONER NUGENT: The essential thing here  
21      is that people have seemed to check who their suppliers  
22      are, and that's very appropriate; but I also ask that you  
23      each look at yourself as a supplier to some other essential  
24      utility and make sure that that linkage is there.

25                  MR. RECORD: Absolutely.

1                   COMMISSIONER NUGENT:    Okay, thanks.

2                   MR. STERRS:   Commissioner, I have a comment on  
3   that.   During the ice storm I think we, like many other  
4   phone companies particularly, probably felt that we weren't  
5   getting as high a restoration priority for power as every-  
6   body else.   I'm sure everybody felt that way during that  
7   week of pure chaos.   In terms of getting ready for Y2K, and  
8   if there was a similar outage, what we've done is we've  
9   sort of beefed up our standby power capability so that  
10  we're less -- we have less places, actually none, where we  
11  do not have standby power capability, whereas before we  
12  really needed that restoration to keep those non-standby  
13  places running; but that's less of an issue for us than it  
14  was in '98.

15                  MR. DINAN:   For the Commission I'd like to  
16  re-echo that.   We want to know where we sit with the  
17  priority, and we're in constant communication with Central  
18  Maine Power; but the fact is we're doing exactly the same  
19  thing.   The ice storm of '98 was very, very helpful in some  
20  ways in terms of battery packs, in terms of standby  
21  generators and having everything ready and we had to do  
22  some scrambling.   We have no intention of doing that  
23  scrambling this time, and that's gonna give us a certain  
24  amount of leeway with regard to dealing with restoration of  
25  power.   But on the other hand, restoration of power is

1 important to us and we will be in contact with Central  
2 Maine Power, which is why we sent them our request, because  
3 we want to maintain that communication. I think it's going  
4 to be important over the next couple of months.

5 MR. SUKASKAS: Thank you for the telecom  
6 sector. I think we can now move into the water sector.  
7 While the water folks are coming up, I'd like to express  
8 our appreciation to the water associations, Maine Rural  
9 Water Association and Maine Water Utilities Association,  
10 for assistance in communicating between us and many of the  
11 water utilities that we regulate. We'll start out with  
12 Maine Rural Water Association. Steve Levy.

13 MR. STEVEN LEVY

14 Thank you very much. My name is Steven Levy. I'm  
15 Executive Director of the Maine Rural Water Association.  
16 First of all, I'd like to thank Commissioner Nugent for the  
17 plug, for asking our sibling utilities to make sure that  
18 the other regulated utilities are on their priority list.  
19 I would encourage you to encourage them to also include  
20 wastewater systems, who although are not regulated water  
21 systems, certainly provide a valuable service in terms of  
22 the local infrastructure and especially maybe not at 12:01,  
23 but maybe at 6 in the morning wastewater facilities are --  
24 so thank you very much.

1           I'll start out with an apology which I hate to do. I  
2       won't be able to stay for the entire water section, but  
3       there's able representation for water and Mr. Gardner from  
4       Rural Water and Jeff McNelly from Maine Water Utilities.  
5       So I'll just start with a thank you and a few comments.

6           One, I think the PUC requirements that they sent to  
7       the water systems provided quite a challenge, and the first  
8       two meetings that we had I ended up whining and complaining  
9       and saying the long saga of the difficulty of small  
10      utilities. It was a challenge and I think the small  
11      utilities met the challenge. We worked closely with the  
12      Commission. Commissioner Nugent spoke at meetings. We did  
13      a lot of work with small utilities in terms of meeting the  
14      requirements of letters and contingency plans; and I'm  
15      really proud of the small systems banding together and  
16      meeting them because I think it was a difficult challenge.  
17      I think it was important. I think in terms of water  
18      systems and wastewater systems, they deal with emergencies  
19      on a daily basis. There's breaks, there's power, there's  
20      phone. Every day is a potential emergency. I think the  
21      Commission's requirements of developing a contingency plan  
22      sort of crystallized the issue and I think sort of forced  
23      us to do it, and I thank you, because I think we moved  
24      forward as a result of that requirement. Sometimes that  
25      kind of strong or gentle urging is necessary, and I think

1 the small systems, although not delighted to do it, I think  
2 worked hard to come into it and I think at the beginning  
3 there was a very poor response to the Commission requests,  
4 if I remember, and I think at this point and in the future  
5 we're there. So thank you for that urging and thank you  
6 for --

7 COMMISSIONER NUGENT: I commend you. From  
8 what I saw at those hearings that you were conducting, the  
9 training sessions that you were conducting, they seemed to  
10 be well thought out and you provided good and useful  
11 support to the people who attended them. I don't know how  
12 many people attended them. You seemed to have pretty good  
13 attendance. How many were not attending, I don't know, and  
14 I'm not asking that question. It looked like a good piece  
15 of (indiscernible).

16 MR. LEVY: I think these kinds of requirements  
17 require multi-pronged approach. We had public meetings.  
18 We also had -- and Carlton Gardner from Maine Rural Water  
19 will talk about it. We had a number of small localized  
20 meetings where these meetings developed contingency plans.  
21 We sent out newsletters. And whenever you have a  
22 compliance requirement, I think it requires several  
23 different ways of meeting it; and we did that. We worked  
24 with Jeff McNelly and the Maine Water Utilities Association  
25 and sent out the blue and the green survey; and this was



1     yet another survey and concerning how many surveys these  
2     water and wastewater have been asked to report on regarding  
3     Y2K, I felt the response was excellent. Our Association  
4     does a lot of survey work and typically I see if you do a  
5     survey and you get a 20 to 25% response, you're doing  
6     great. We did much better than that.

7           I'll just touch upon a couple of the issues which I  
8     think are of most interest. The blue is the PUC regulated,  
9     the green is the publicly owned treatment works which are  
10    not regulated by the PUC. In terms of the blue survey,  
11    there was a 60% response, which was very, very good; and  
12    this was not -- we didn't nag them. We sent it out; they  
13    came back. So this was a good response. In Section 3 the  
14    first question was how many of the systems are not  
15    computerized. Not that that's the only issue in Y2K, but I  
16    believe it's significant. Thirty-four percent who  
17    responded are not computerized. I believe it reflects the  
18    age of the systems that we're dealing with. Many of the  
19    water systems are older and less prone -- have less  
20    technological events; and this was reflected in the survey.  
21    Interestingly enough, in the green survey, the publicly  
22    owned treatment works, 16% are not computerized, which  
23    shows that these plants are newer and more technologically  
24    oriented. I think it shows what we already know.

1           Jumping down into what percent of your system is fully  
2   Y2K ready, in the water 59 systems, which is sort of  
3   additive with the systems that are not computerized, felt  
4   that they were ready, whatever ready means. In their  
5   minds, I can't tell you, but they feel they're ready and I  
6   guess that's what we have to go on.

7           In terms of the green survey, the treatment words, 54  
8   were ready. Have you planned for contingencies, which is  
9   the third question down in that last section, most of them  
10   have. This reflected your requirement to implement  
11   contingency plans and these plans have been done. In the  
12   wastewater it's less significant, but still they're doing  
13   good. Many of the wastewater facilities are jointly  
14   water/wastewater facilities, about 30 to 35 are  
15   water/wastewater. So if they're in the water, they're in  
16   the wastewater.

17          Last and possibly most significant, can you operate  
18   your system manually? Sixty-four water, yes, they can; and  
19   the majority of wastewater also can. So, there's a lot of  
20   technology; there's also a lot of manual control; and we  
21   had water systems before we had modern technology and the  
22   stuff is still in the ground. The valves are there.  
23   People remember how to do things, and we're okay.

24                 CHAIRMAN WELCH: Are there some particular  
25   subset of these who have treatment facilities that may be

1 more modern, sort of post Drinking Water Act facilities?  
2 What's your sense of whether those have been brought into  
3 compliance?

4 MR. LEVY: I'm going to turn that over to  
5 Mr. Gardner who certainly knows more about that. Thank you  
6 for your time and --

7 COMMISSIONER DIAMOND: I appreciate your  
8 characterization of the Commission request as a challenge.  
9 I read it in one of the associations' newsletters, I don't  
10 know which one it was, which is probably a good thing, a  
11 characterization of it which was far less charitable than  
12 challenge. So I think we're making progress, perhaps  
13 slowly. I'm glad that you feel that it did produce some  
14 benefits at the end of the day.

15 MR. LEVY: Thank you very much.

16 MR. GARDNER: Many of the newer plants -- I'm  
17 Carlton Gardner with Maine Rural Water. Many of our newer  
18 plants that have gone on-line are really -- need the  
19 computers to operate properly; but they're all built with  
20 bypass, so that they can bypass the plants by maybe taking  
21 a spool piece and putting it in so they can run the plant  
22 as efficient -- or as effectively as possible. The big  
23 concern with water systems isn't necessarily to provide  
24 potable water, but it's to provide fire protection and  
25 sanitary needs with potable water being third on the list.

1     So, yes, they can bypass a plant, go on maybe a boil order,  
2     a system-wide boil order, and provide water for fire  
3     protection and sanitary needs. And many of the plants --  
4     it was a learning experience through the ice storm. Many  
5     of the plants have also had lightening strikes. So it's  
6     not -- I don't think many of our systems are looking at Y2K  
7     as being a real special event.

8                   COMMISSIONER NUGENT: Is the particular  
9     application that requires the electronics and has the Y2K  
10    vulnerability related to the metering in and treatment  
11    chemicals primarily? Or is it control on the flow of the  
12    water or both?

13                  MR. GARDNER: Much of it's on the flow of  
14    water going through. A lot of the smaller systems are  
15    strictly manual. It's not flow dependent. They just set a  
16    pump up and when the well pump comes on, it starts pumping  
17    chemicals.

18                  MR. SUKASKAS: During the ice storm a number  
19    of water utilities had to depend on backup generation  
20    provided by the National Guard. Those resources are  
21    probably not going to be anywhere near as readily available  
22    during Y2K roll over periods. Have many of your members  
23    improved their own backup capabilities?

24                  MR. GARDINER: Yes. We found that a lot of  
25    utilities have bought backup power or have access to maybe

1 a local rental agency with an agreement there to rent a  
2 generator from them. What we found during the survey is  
3 that, particularly on the wastewater end, wastewater  
4 systems particularly have a lot of substations or lift  
5 stations and they're finding problems -- you know, if they  
6 need the generator here, then this little station doesn't  
7 have a generator. One of the comments from one of the  
8 wastewater systems was that they were looking at a  
9 generator to run their plant at being I think about  
10 \$200,000, which is financially not possible.

11 MR. SUKASKAS: Thank you. Jeff McNelly from  
12 Maine Water Utilities Association.

13 MR. JEFF McNELLY

14 Okay. I am Jeff McNelly, the Executive Director of  
15 Maine Water Utilities Association. You've heard the  
16 results of the joint survey that we did with Maine Rural  
17 Water. We appreciate the efforts that they went through to  
18 mail that out and tabulate the results. I don't think we  
19 were surprised by the results. It's about what we  
20 expected.

21 Like them, we do not run water systems, but we  
22 represent people who do and we provide services and we are  
23 advocates for the profession. We've had some training  
24 sessions and we've developed a Y2K preparedness manual,  
25 which I'll pass down. Like many, people were trying to --

1 we broke this down to major issues, the mission critical,  
2 if you will, minor issues and then related issues. We've  
3 tried to address these issues collectively -- the issues  
4 collectively and also in a collective fashion with Maine  
5 Rural Water Association. We've had a series of meetings  
6 and training sessions. They have done the same. I think  
7 basically we've tried to complement each other's  
8 activities. We did put together this preparedness manual.  
9 We received some funding from the SRF Program and the  
10 Drinking Water Program. In developing the document we  
11 recognized that not every water utility has the resources  
12 to do a full-blown Y2K readiness program. We also  
13 recognized that a full-blown program is probably not  
14 necessary, especially for the smaller systems. We did feel  
15 that the lessons learned by those who had been through the  
16 process provides assistance, if you will, for the most  
17 part; would provide valuable insight for all the systems,  
18 and it did provide a basis for the manual. This is  
19 something we really developed over a period of 6 to 12  
20 months, kept accumulating information, we had training  
21 sessions and we'd modify it and update it and add to it.  
22 We did realize that each system, no matter how large it  
23 was, should identify the mission critical aspects of their  
24 operations and we considered them to be the provision of  
25 safe water, the revenue stream. It may not seem like a big

1     issue, but particularly if you lose that revenue stream for  
2     a period of time, it can create problems down the road.  
3     This was distribution to community water systems, non-  
4     transient water systems and others. We mailed out about  
5     800 so far. You'll note there's also a community readiness  
6     calendar in there which was suggested to us by a person on  
7     the Governor's Task Force. We thought that was important  
8     to put in for a number of reasons; one reason being that  
9     Maine water utility operators aren't gonna be home on  
10    January 1<sup>st</sup>. They're gonna be at work. Take care of their  
11    families before they go on that venture.

12           The manual is basically a compendium of practical tips  
13    to assist public water systems in their preparations.  
14    There's also an appendix which was put together by one of  
15    our committee people, dealing with common operating systems  
16    and office software; and there are a couple of other  
17    appendices, one listing of important dates to be aware of  
18    and the small business association methodology to check PCs  
19    is also in there.

20           To summarize, the document focuses on provision of  
21    safe water. It's very important that these systems be able  
22    to operate manually and bypass things which could be  
23    problems during the Y2K event, and we also tried to  
24    emphasize communication with the customer. That pretty  
25    much is where we are.

1           If there are any questions, I'd be happy to entertain  
2 those.

3                   MR. SUKASKAS: Again, thanks for both  
4 associations' efforts in helping us get the word out.  
5 Let's wrap up on the water side with the Portland Water  
6 District, I believe the State's largest water utility.  
7 Peter Cutrone.

8                               MR. PETER CUTRONE

9           Well, I'm not gonna bore you by regurgitating things  
10 we've said before or going over contingency plans that  
11 we've sent you earlier. Basically, we're ready and we more  
12 or less have been ready since the deadline you had set for  
13 all utilities to try to achieve Y2K compliance at the end  
14 of June of this year.

15           Communicating where we are with Y2K to our customers  
16 has been a priority for us throughout the year; and you  
17 have in front of you our latest message to them, probably  
18 the last one we're planning to send to everybody as a  
19 billing stuffer. I have to feel it's been somewhat  
20 effective because from more or less getting a daily phone  
21 call on Y2K from a customer, I haven't had a call in two  
22 weeks. So, I think we're getting to the point where people  
23 are getting comfortable with the idea of they can expect to  
24 have clean, potable water come January 1; that we can also



1 collect and process the wastewater, and lo and behold, even  
2 send them a bill. So, those are the good things.

3 What we still have left to do, like a lot of people  
4 earlier today, we're putting a lot of information on our  
5 Web site with status updates; and if you went there today,  
6 you're going to see that our contingency plan is not 100%,  
7 or is our Y2K compliance document; and there are very good  
8 reasons for that. The compliance document, first of all,  
9 is just -- one of the parts that has to go into it is once  
10 we get past January 1 we want to just reflect on it and  
11 that will be what closes out that document. Up until that,  
12 it's complete. You'll see this is one of five binders like  
13 this.

14 The contingency planning. What's left there, there's  
15 a flow test that we really need to do but we can't do it  
16 until mid to late December because we draw our water from  
17 Sebago Lake. The water temperature still is plummeting  
18 still at that time of year and our production is influenced  
19 very strongly by the temperature of the water coming into  
20 the system. So, what we want to do with contingency  
21 planning, we have our own backup power systems, we have  
22 generators at all the critical sites in distribution to  
23 move the water around the system; but the system, as it's  
24 designed, or the production facility, it's very dynamic.  
25 Depending on what the demand is and things on the system,

1 flow rates can change; pumps injecting chemicals such as  
2 chlorine or fluoride and things are gonna be adjusted  
3 according to the flow through the system. But if we had to  
4 go to manual operation, we don't want to be running around  
5 tweaking it for every new little demand that's coming on  
6 and off the system. So, we've decided what we will do is  
7 we have two intake pumps and we will run with one intake  
8 pump fully open. That puts out about 17 million gallons a  
9 day. The demand typically, if we look at last January and  
10 years before, is about 19 million gallons a day. So we  
11 can't sustain ourselves on one pump, but we've got a  
12 substantial amount of storage in our system with tanks and  
13 then what's in the pipe itself, so we can ride one pump  
14 full open for a while. So, the test that we would do in  
15 later December would simply be let's run with one pump full  
16 open and see where our injections systems are settling out  
17 at, based on the temperature and the flow rate going  
18 through. So if we go to manual operation, we more or less  
19 know where we're gonna be turning the dials to control  
20 those systems. Every few days, though, we'll have to open  
21 up the second pump, full open again, to recharge the  
22 system. So again, we want to do that, see where things  
23 stabilize, have another mark that we know this is where  
24 we're gonna more or less be controlling these other systems  
25 if we're on a manual operation. That's really one test we

1       can't do until that point in time; but it's not a  
2       detrimental test. It's not gonna affect our production at  
3       that point. It's more or less we want to just control the  
4       flow a little bit.

5               So, that's what's outstanding and that's why our  
6       contingency plan is 100%. It's basically there; it's just  
7       a matter of refining the plan.

8               COMMISSIONER NUGENT: You've served parts of  
9       your service territory with wells, Windham and Standish as  
10      I recall, maybe some others, I don't know.

11              MR. CUTRONE: North Windham is no longer on  
12      wells. They're fed by --

13              COMMISSIONER NUGENT: That's the gasoline  
14      problem that occasioned that switch, or at least you had a  
15      switch in process that you maybe moved along more rapidly  
16      there, is that the reason for that switch out in North  
17      Windham?

18              MR. CUTRONE: Right. That actually delayed  
19      our achieving Y2K compliance with our system by your  
20      deadline because we decided it was more important probably  
21      to bring North Windham on-line with the lake water --

22              COMMISSIONER NUGENT: Standish is --

23              MR. CUTRONE: Standish. There's a small  
24      section in Standish, Steep Falls is the community within  
25      the town, that is still served by wells.

1                   COMMISSIONER NUGENT: You still add chemicals  
2 to water?

3                   MR. CUTRONE: Right. We ozonate to --

4                   COMMISSIONER NUGENT: You ozonate. I thought  
5 that removed the requirement to add chemicals.

6                   MR. CUTRONE: Ozonization is 100% effective to  
7 disinfect the water; but we still add chlorine to provide  
8 residual protection as it goes down through the  
9 distribution system. By a vote within our community area  
10 we add fluoride. We also add chemicals to inhibit  
11 corrosion in the system. So there's a bit of balancing  
12 that has to go on with these chemicals. Some are added as  
13 acid, some are as bases. In our contingency discussions,  
14 if it really came down to it, if things are going to hell  
15 in a hand basket, what do we need to do? We need to  
16 ozonate. That means we need to have the power to do it.  
17 We've got the generators in place to do that, so we can  
18 disinfect it. We need that chlorine to keep it disinfected  
19 and potable for our users. So those are the two things we  
20 would do and we would probably, for a period of time,  
21 suspend the fluoride even though the voters want it, but  
22 it's really not critical in terms of health or service. We  
23 can suspend for a period of time the corrosive inhibitors.  
24 So, to maintain the balance or control it better and have  
25 the water drinkable, we'd probably, if we had to, we'd

1 suspend some of those other additives and we would maintain  
2 the two that we're required to do in order to provide clean  
3 drinking water.

4 COMMISSIONER NUGENT: Which process is  
5 sensitive to temperature? And is it ambient temperature or  
6 water temperature?

7 MR. CUTRONE: The ozonation, actually, believe  
8 it or not, because there's generators and things. That's  
9 really what's gonna drive it because it's -- you're playing  
10 around with just the oxygen content of the water, if you  
11 will; and temperature is gonna play a role in how well  
12 those molecules are gonna be broken apart and reconfigured  
13 and things. That's one of the principal ones.

14 CHAIRMAN WELCH: Is there any supply issue  
15 left over from the earlier draught or are things pretty  
16 much back up to normal? It's probably not a peak problem  
17 period, anyway.

18 MR. CUTRONE: Well, Sebago Lake, my  
19 understanding, was down a little bit; but where our intakes  
20 are it's not really a concern. It would have to go down a  
21 substantial amount before we'd worry about that.

22 CHAIRMAN WELCH: Are other areas in the State  
23 as well sort of back up to where they ought to be, more or  
24 less, at this point?

25 MR. McNELLY: Everyone is for the most part.

1                   MR. GARDNER: Most everybody I've talked to is  
2 back up.

3                   CHAIRMAN WELCH: We got that 10 inches in one  
4 day which may have helped.

5                   MR. McNELLY: We're actually above normal for  
6 rain precipitation for the year.

7                   MR. GARDNER: If anything, the year -- the  
8 large rain amounts have caused some problems up in the  
9 County with Madawaska and with some of the other utilities  
10 up there because of the high colors coming in right now.

11                  MR. SUKASKAS: Peter, the piece that you  
12 passed out, kind of a final message about Y2K. Isn't that  
13 a little dark? It mentions the periods of long power  
14 outages could be problematic. During the ice storm, if I  
15 recall correctly, you lost power but not service, am I  
16 correct?

17                  MR. CUTRONE: Right. The power was  
18 fluctuating; you know, on one day, off the next, or things  
19 like that; and ultimately what we did is we just ran on our  
20 generators until they worked themselves out. It's  
21 interesting to be here and have you asking questions of the  
22 power companies or the phone companies about restoration  
23 priorities; and I guess we take some comfort in knowing we  
24 can generate our own power to produce our service, but I

1     suppose if they don't give us power we'll just shut off  
2     their water and let them go outside.

3             As far as communication, I also want to address that,  
4     since we're kind of set up in various places in our service  
5     area. We do have our own radio system with a license from  
6     the FCC, so we can broadcast it's Y2K. That's one way that  
7     we have our communication in place as well.

8             MR. SUKASKAS: By broadcast, you broadcast to  
9     the public?

10            MR. CUTRONE: No, no. It's our own system.

11            MR. SUKASKAS: Well, thank you.

12            MR. McNELLY: We also appreciate the fact that  
13     you have suggested to the power companies that the water  
14     utilities be a priority, 'cause that was a problem during  
15     the ice storm in certain locations.

16            COMMISSIONER NUGENT: Joe will communicate  
17     that to the two power groups, three power groups.

18            MR. GARDNER: Water/wastewater, please. Don't  
19     forget the wastewater end because it was more of a problem  
20     for the wastewater end than many of the water systems.

21            CHAIRMAN WELCH: I think someone pointed out  
22     it may be if you get a system failure, priorities are sort  
23     of irrelevant; but it could be if you've got a substation  
24     or something more localized.

1                   MR. SUKASKAS: Those are recommendations  
2   embedded in the Commission's order adopting recommendations  
3   in the ice storm, which not too long ago the Commission  
4   suggested that utilities, including power utilities  
5   (indiscernible).

6                   Any other comments?

7                   CHAIRMAN WELCH: Thank you very much,  
8   everyone.

9

10                  ADJOURNED AT 12:25 P.M.

11

12